Moody's: Aa1/VMIG1
Standard & Poor's: AAA/A-1+
(See "Ratings" herein)

EXISTING ISSUES REOFFERED

$114,225,000
DORMITORY AUTHORITY OF THE STATE OF NEW YORK
THE ROCKEFELLER UNIVERSITY REVENUE BONDS

$50,000,000 SERIES 2002A2	$64,225,000 SERIES 2005A
Date of Reoffering: September 1, 2009	Date of Reoffering: September 1, 2009
Due: July 1, 2032	Due: July 1, 2035
CUSIP [(1)] 649903ZF1	CUSIP [(1)] 649903ZE4
Price 100%	Price 100%

Payment and Security: The Rockefeller University Revenue Bonds, Series 2002A2 (the "Series 2002A2 Bonds") and The Rockefeller University Revenue Bonds, Series 2005A (the "Series 2005A Bonds" and together with the Series 2002A2 Bonds, the "Reoffered 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 October 31, 2001, as amended and restated (the "Loan Agreement") between The Rockefeller University (the "University") 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 The Rockefeller University Revenue Bond Resolution, adopted October 31, 2001 (the "Resolution"), and in the case of the Series 2002A2 Bonds, The Rockefeller University Series 2002A Resolution Authorizing Series 2002A Bonds, adopted October 31, 2001 (the "Series 2002A Resolution"), and in the case of the Series 2005A Bonds, The Rockefeller University Series 2005A Resolution Authorizing Series 2005A Bonds, adopted April 27, 2005 (the "Series 2005A Resolution" and together with the Series 2002A Resolution, the "Series Resolutions").

The Loan Agreement is a general, unsecured obligation of the University and requires the University 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 Reoffered Bonds.

While in the Daily Rate Mode or the Weekly Rate Mode, the Reoffered Bonds are subject to optional and mandatory tender for purchase as described herein. JPMorgan Chase Bank, National Association (the "Bank") has committed to deliver on September 1, 2009 a liquidity facility for each Series of Reoffered Bonds (collectively, the "Initial Liquidity Facility"), each in the form of a standby bond purchase agreement, pursuant to which, and subject to certain conditions precedent, the Bank will be obligated to purchase Reoffered Bonds tendered for purchase pursuant to the Bond Series Certificate and not remarketed.

CHASE

The Reoffered Bonds are not a debt of the State of New York nor is the State liable thereon. The Authority has no taxing power.

Description: The Reoffered Bonds will be reoffered on September 1, 2009 (the "Reoffering Date"). The Reoffered Bonds are Variable Interest Rate Bonds and Option Bonds and are fully registered Bonds in denominations of $100,000 or any integral multiple of $5,000 in excess thereof. For the period commencing on the Reoffering Date, the Reoffered Bonds will bear interest at their respective Initial Rates for their respective Initial Rate Periods through and including the Wednesday following the Reoffering Date. Thereafter, the Reoffered Bonds will bear interest at Weekly Rates for Weekly Rate Periods until converted to another Rate Period. Each Weekly Rate will be determined on the Business Day immediately preceding the first day of each Weekly Rate Period, payable in arrears, on the first Business Day of each calendar month, commencing on October 1, 2009, for as long as the Reoffered Bonds bear interest at a Weekly Rate.

The method of determining the interest rate to be borne by the Reoffered Bonds may be changed to other Rate Modes at the times and in the manner set forth herein. Unless otherwise set forth herein, the descriptions of the Reoffered Bonds and the related documents included herein generally relate only to the terms and provisions which are applicable while the Reoffered Bonds bear interest at a Daily Rate or a Weekly Rate.

The Reoffered Bonds have been issued 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 Reoffered Bonds will be made in book-entry form (without certificates). So long as DTC or its nominee is the registered owner of the Reoffered Bonds, payments of the principal, Purchase Price and Redemption Price of and interest on the Reoffered 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 REOFFERED BONDS - Book-Entry Only System" herein.

Wells Fargo Bank, National Association is the Trustee and Tender Agent for the Reoffered Bonds.

Tenders for Purchase and Redemption: *The Reoffered Bonds are subject to tender for purchase and optional redemption prior to maturity as more fully described herein.*

Tax Exemption: On the date of original issuance and delivery of each of the Reoffered Bonds, Bond Counsel delivered its opinion that under existing law and assuming compliance with the tax covenants described herein, and the accuracy of certain representations and certifications made by the Authority and the University described herein, interest on each of the Series of Reoffered Bonds is excluded from gross income for Federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In those opinions, Bond Counsel also opined that interest on each of the Reoffered Bonds is not treated as a preference item in calculating the alternative minimum tax imposed under the Code with respect to individuals and corporation, but indicated that such interest is included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax imposed on such corporations. On the date of original issuance and delivery of each of the Reoffered Bonds, Bond Counsel also delivered its opinion that, under existing statutes, interest on each of the Reoffered 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. See "PART 8 - TAX MATTERS" herein regarding certain other tax considerations. **These opinions have not been updated or reissued in connection with the remarketing of the Reoffered Bonds.**

In connection with the change in the method of determining the interest rate for the Reoffered Bonds, certain legal matters will be passed upon by Nixon Peabody LLP, New York, New York, Bond Counsel. Certain legal matters will be passed upon for the University by its Counsel, Orrick, Herrington & Sutcliffe LLP, New York, New York. Certain legal matters will be passed upon for the Remarketing Agent by its Counsel, Hawkins Delafield & Wood LLP, New York, New York. Certain legal matters will be passed upon for the Bank by its Counsel, Sonnenschein Nath & Rosenthal LLP, New York, New York. The Authority expects to deliver the Reoffered Bonds in definitive form in New York, New York on their date of reoffering, on or about September 1, 2009.

Morgan Stanley

August 24, 2009

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(1) A CUSIP number has been assigned by an organization not affiliated with the Authority or the University and is included solely for the convenience of the Holders of the Reoffered Bonds. Neither the Authority nor the University is responsible for the selection or uses of this CUSIP number, nor is any representation made as to its correctness on the Reoffered Bonds or as indicated above.

No dealer, broker, salesperson or other person has been authorized by the Authority, the University or the Remarketing Agent to give any information or to make any representations with respect to the Reoffered Bonds, other than the information and representations contained in this Reoffering Circular. If given or made, any such information or representations must not be relied upon as having been authorized by the Authority, the University or the Remarketing Agent.

This Reoffering Circular does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be a sale of the Reoffered 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 Reoffering Circular has been supplied by the University and other sources that the Authority believes are reliable. Neither the Authority nor the Remarketing Agent guarantee the accuracy or completeness of such information, and such information is not to be construed as a representation of the Authority or of the Remarketing Agent.

The University has reviewed the parts of this Reoffering Circular describing the University, Principal and Interest Requirements and Appendix B. It is a condition to the sale of and the delivery of the Reoffered Bonds that the University certify to the Remarketing Agent and the Authority that, as of the date of this Reoffering Circular and of delivery of the Reoffered 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 University makes no representation as to the accuracy or completeness of any other information included in this Reoffering Circular.

The Remarketing Agent has reviewed the information in this Reoffering Circular pursuant to its responsibilities to investors under the federal securities law, but the Remarketing Agent does not guarantee the accuracy or completeness of such information.

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

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

Under no circumstances shall the delivery of this Reoffering Circular or any sale made after its delivery create any implication that the affairs of the Authority and the University have remained unchanged after the date of this Reoffering Circular.

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

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DORMITORY AUTHORITY - STATE OF NEW YORK
515 BROADWAY, ALBANY, N.Y. 12207
PAUL T. WILLIAMS – EXECUTIVE DIRECTOR
ALFONSO L. CARNEY, JR. ESQ. – CHAIR

REOFFERING CIRCULAR RELATING TO
$114,225,000
DORMITORY AUTHORITY OF THE STATE OF NEW YORK
THE ROCKEFELLER UNIVERSITY REVENUE BONDS

$50,000,000
SERIES 2002A2

$64,225,000
SERIES 2005A

PART 1 – INTRODUCTION

Purpose of the Reoffering Circular

The purpose of this Reoffering Circular, including the cover page and appendices, is to provide information about the Authority and the University, in connection with the reoffering of $50,000,000 principal amount of the Authority's The Rockefeller University Revenue Bonds, Series 2002A2 (the "Series 2002A2 Bonds") and $64,225,000 principal amount of the Authority's The Rockefeller University Revenue Bonds, Series 2005A (the "Series 2005A Bonds" and together with the Series 2002A2 Bonds, the "Reoffered Bonds").

The Series 2002A2 Bonds were issued on January 30, 2002 by the Authority pursuant to the Resolution, the Series 2002A Resolution and the Act. The Series 2005A Bonds were issued on June 2, 2005 by the Authority pursuant to the Resolution, the Series 2005A Resolution and the Act. Proceeds from both Series of the Reoffered Bonds were used to finance various construction and renovation projects throughout the University's campus. The Series 2002A2 Bonds and the Series 2005A Bonds currently bear interest at Weekly Rates and are subject to optional and mandatory tender. No Liquidity Facility has been in effect with respect to the Series 2002A2 Bonds or the Series 2005A Bonds. The University has arranged for JPMorgan Chase Bank, N.A. to provide the Initial Liquidity Facility in the form of a separate standby bond purchase agreement with respect to each Series of the Reoffered Bonds, both to be effective on September 1, 2009. As a result, the Series 2002A2 Bonds and the Series 2005A Bonds will be subject to mandatory tender by the Holders thereof for purchase at the price of par on September 1, 2009.

The following is a brief description of certain information concerning the Reoffered Bonds, the Initial Liquidity Facility, the Authority and the University. A more complete description of such information and additional information that may affect decisions to invest in the Reoffered Bonds is contained throughout this Reoffering Circular, which should be read in its entirety. Certain terms used in this Reoffering Circular are defined in Appendix A hereto. Unless otherwise set forth herein, the descriptions of the Reoffered Bonds and the related documents included herein generally relate only to the terms and provisions which are applicable while the Reoffered Bonds bear interest at a Daily Rate or a Weekly Rate.

Authorization of Issuance

The Reoffered Bonds were issued pursuant to the Resolution, the respective Series Resolutions and the Act. In addition to the Reoffered 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 of the Authority issued for the benefit of the University. 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 REOFFERED 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 and not-for-profit institutions. See "PART 5 - THE AUTHORITY."

The University

The University is an independent, nonsectarian, not-for-profit center for advanced study and research in the natural sciences chartered by the Board of Regents of the State of New York. The University's principal facilities are located on the upper east side of Manhattan in The City of New York. See "PART 4 - THE UNIVERSITY" and "Appendix B - Financial Statements of The Rockefeller University (With Independent Auditors' Report Thereon)."

The Reoffered Bonds

The Series 2002A2 Bonds are Variable Interest Rate Bonds and will bear interest from the Reoffering Date at their Initial Rate for their Initial Rate Period ending on the Wednesday following the Reoffering Date and thereafter will bear interest in the Weekly Rate Mode until converted to another Rate Mode. The Series 2002A2 Bonds will mature on July 1, 2032.

The Series 2005A Bonds are Variable Interest Rate Bonds and will bear interest from the Reoffering Date at their Initial Rate for their Initial Rate Period ending on the Wednesday following the Reoffering Date and thereafter will bear interest in the Weekly Rate Mode until converted to another Rate Mode. The Series 2005A Bonds will mature on July 1, 2035.

The Weekly Rate will be determined on the Business Day preceding the beginning of each Weekly Rate Period and will be paid on the first Business Day of each month. At the election of the Authority with the consent of the University, the Reoffered Bonds, or a portion thereof, may be converted to bear interest in another Rate Mode, including the Fixed Rate Mode, determined and payable as described in the applicable Bond Series Certificate. See "PART 3 - THE REOFFERED BONDS."

The Reoffered Bonds are subject to tender for purchase at the option of the Holders on any Business Day during a Weekly Rate Period, and mandatorily upon conversion to another Rate Mode (other than to a Daily Rate Mode or from a Daily Rate Mode to a Weekly Rate Mode), upon the expiration or termination of any Liquidity Facility then in effect or at the option of the Authority, in each case at a Purchase Price equal to the principal amount of the Reoffered Bonds to be purchased, plus, except as described herein, accrued interest, if any, to the Purchase Date. Such purchases are payable from proceeds of the remarketing of the Reoffered Bonds, from moneys obtained under a Liquidity Facility, if any, then in effect for the Reoffered Bonds and from moneys furnished by or on behalf of the University in accordance with the Resolution and Loan Agreement. (See "PART 2 - SOURCE OF PAYMENT AND SECURITY FOR THE REOFFERED BONDS - Liquidity Facility"). Morgan Stanley & Co. Incorporated has been appointed as the Remarketing Agent for the Reoffered Bonds.

For a more complete description of the Reoffered Bonds, the determination of interest rates, conversion to another Rate Mode and optional and mandatory tenders, see "PART 3 - THE REOFFERED BONDS."

Payment of the Reoffered Bonds

The Reoffered Bonds and all other Bonds which have been and 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 University under the Loan Agreement, which payments are pledged and assigned to the Trustee. The Loan Agreement is a general, unsecured obligation of the University. See "PART 2 - SOURCE OF PAYMENT AND SECURITY FOR THE REOFFERED BONDS - Payment of the Reoffered Bonds."

Liquidity Facility

While in the Daily Rate Mode or the Weekly Rate Mode, the Reoffered Bonds are subject to optional and mandatory tender for purchase as described herein. JPMorgan Chase Bank, National Association (the "Bank") has committed to deliver a liquidity facility for each Series of the Reoffered Bonds (collectively, the "Initial Liquidity Facility), each in the form of a standby bond purchase agreement, pursuant to which, and subject to certain conditions precedent, the Bank will be obligated to purchase Reoffered Bonds tendered for purchase pursuant to the Bond Series Certificate and not remarketed. The Initial Liquidity Facility will expire on August 31, 2010 unless renewed or extended or terminated or suspended pursuant thereto. **Under certain circumstances, the Bank's obligations under the Initial Liquidity Facility may be immediately terminated or suspended by the Bank at any time without notice.** See "PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE REOFFERED BONDS – Liquidity Facility" and "Appendix F – The Bank."

Security for the Reoffered Bonds

The Reoffered Bonds are secured equally with all other Bonds which have been and 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 University. No security interest in any revenues or assets of the University has been granted by the University to the Authority under the Loan Agreement. However, the University has granted security interests in certain revenues and assets of the University to secure certain of the University's outstanding indebtedness other than the Bonds. In addition, pursuant to the Loan Agreement, the University may incur Debt secured by a lien and pledge of revenues of the University without granting to the Authority any security interest in any revenues to secure the University's obligations under the Loan Agreement. See "PART 2 - SOURCE OF PAYMENT AND SECURITY FOR THE REOFFERED BONDS - Security for the Reoffered Bonds and Issuance of Additional Bonds" and "PART 4 - THE UNIVERSITY - ANNUAL FINANCIAL STATEMENT INFORMATION - Indebtedness."

The Reoffered Bonds are not a debt of the State nor is the State liable thereon. The Authority has no taxing power. Neither the State nor the Authority has any responsibility to make payments with respect to the Reoffered Bonds except for the Authority's responsibility to make payments from moneys received from the University 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 REOFFERED BONDS

Set forth below is a narrative description of certain contractual provisions relating to the source of payment of and security for the Reoffered 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, the applicable Series Resolutions and the applicable Bond Series Certificates. Copies of the Loan Agreement, the Resolution, the Series Resolutions and the Bond Series Certificates 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 Reoffered Bonds

The Reoffered Bonds and all other Bonds which have been and may be issued under the Resolution will be special obligations of the Authority. The principal, Sinking Fund Installments and Redemption Price of and interest on the Reoffered 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 University pursuant to the Loan Agreement on account of the principal, Sinking Fund Installments and Redemption Price of and interest on the Bonds. The Revenues and the right to receive them have been pledged to the Trustee for the benefit of the Bondholders.

The Loan Agreement is a general, unsecured obligation of the University. The Loan Agreement obligates the University to make payments to satisfy the principal, Sinking Fund Installments and Redemption Price of and interest on Outstanding Reoffered Bonds. Payments made by the University in respect of interest on Variable Interest Rate Bonds (other than Variable Interest Rate Bonds in the Fixed Rate Mode) are to be made three Business Days prior to an interest payment date, in an amount equal to the interest coming due on the next succeeding interest payment date. Payments by the University 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. The Loan Agreement also obligates the University to pay, at least 15 days prior to a redemption date or purchase date of Bonds called for redemption or contracted to be purchased in lieu of redemption, the amount, if any, required to pay the purchase price or Redemption Price of such Bonds. See "PART 3 - THE REOFFERED BONDS - Redemption and Purchase in Lieu of Redemption Provisions."

The Purchase Price of the Reoffered Bonds is payable solely from (i) proceeds of remarketing of the Reoffered Bonds, (ii) moneys obtained under the Liquidity Facility for the Reoffered Bonds, if any, then in effect and (iii) payments obligated to be made by the University pursuant to the Loan Agreement on account of the Purchase Price of the Reoffered Bonds.

The Authority has directed, and the University 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 and Redemption Price of and interest on the Reoffered Bonds.

The Loan Agreement also requires the University to pay the Purchase Price of Tendered Bonds that have not been remarketed and for the payment of which moneys have not been received from any Liquidity Facility then in effect. The University is to make payment by 1:30 p.m., New York City time, on the Optional Tender Date or Mandatory Tender Date (each a "Tender Date") if notice is given to it by the Tender Agent by 10:00 a.m., New York City time, on the Tender Date, and by 5:00 p.m., New York City time, on the Tender Date if notice is given to it after 10:00 a.m. but by 3:00 p.m., New York City time, on the Tender Date. If notice is given to it after 3:00 p.m., New York City time, on the Tender Date, the University is not obligated to make payment until 10:00 a.m. on the following Business Day. Payments made by the University or a Liquidity Facility for payment of the Purchase Price of Tendered Bonds, as well as the Remarketing Proceeds of Tendered Bonds, are to be made to the Tender Agent and deposited in the Purchase Account. The Purchase Account, all moneys therein and investments thereof are held in trust for, and irrevocably pledged to, the Holders of Tendered Bonds for payment of the Purchase Price of Tendered Bonds.

Liquidity Facility

Pursuant to the Resolution, the University is not required to provide a Liquidity Facility. However, the University has elected to provide the Initial Liquidity Facility for the Reoffered Bonds commencing on the Reoffering Date. At any time, subject to the terms and provisions set forth in the respective Liquidity Facility, the University may either terminate the Liquidity Facility then in effect and determine not to provide a Liquidity Facility for the Reoffered Bonds or may provide a substitute Liquidity Facility for the Reoffered Bonds. The Reoffered Bonds will be subject to mandatory tender upon either of such events.

Initial Liquidity Facility

The following is a summary of certain provisions of the two standby bond purchase agreements by and among the University, the Tender Agent and the Bank that shall constitute the Initial Liquidity Facility with respect to the Reoffered Bonds to be entered into among the University, the Bank and the Tender Agent. The following summary does not purport to be a full and complete statement of the provisions of the Initial Liquidity Facility. The Initial Liquidity Facility should be read in full for a complete understanding of all the terms and provisions thereof. Copies of the Initial Liquidity Facility are on file with the Trustee. For certain information regarding the Bank, see "Appendix F - The Bank."

The Bank agrees under the Initial Liquidity Facility, on the terms and conditions set forth therein, to purchase, at the Purchase Price (as defined in the Initial Liquidity Facility), Reoffered Bonds bearing interest at the Daily Rate or the Weekly Rate and which are not Reoffered Bonds owned by or on behalf of, or for the benefit of or for the account of, the University or any affiliate of the University which are tendered pursuant to an optional or mandatory tender ("Tendered Bonds") pursuant to certain provisions of the Resolution and not remarketed. See "PART 3 - THE REOFFERED BONDS – Description of the Reoffered Bonds." The amount of the Bank's commitment under the Initial Liquidity Facility is initially equal to the principal amount of the Reoffered Bonds and up to 34 days of interest thereon at a maximum rate of 15% per annum. The amount of the commitment under the Initial Liquidity Facility may be adjusted as provided in the Initial Liquidity Facility. The Initial Liquidity Facility is scheduled to terminate on August 31, 2010 unless extended as described therein or unless terminated as described below. If requested by the University, the Initial Liquidity Facility may be extended in the sole discretion of the Bank. Failure to extend the Initial Liquidity Facility will result in a mandatory tender of the Reoffered Bonds as described under the heading "PART 3 - THE REOFFERED BONDS – Description of the Reoffered Bonds - *Mandatory Tender*."

If Tendered Bonds are not remarketed by the Remarketing Agent on the day such Reoffered Bonds are to be tendered, the Tender Agent will give the Bank notice as provided in the Initial Liquidity Facility. Upon receipt of such notice, and upon the Bank's determination that the conditions precedent to purchase specified in the Initial Liquidity Facility are satisfied, the Bank is required to transmit to the Trustee in immediately available funds an amount equal to the aggregate purchase price of such Tendered Bonds for which remarketing proceeds are not available as requested by the Tender Agent. Tendered Bonds purchased with such funds provided by the Bank will be registered in the name of the Bank and shall be held by the Trustee for the benefit of the Bank (such Bonds referred to herein as "Bank Bonds").

THE INITIAL LIQUIDITY FACILITY IS AVAILABLE TO FUND PURCHASES OF THE REOFFERED BONDS COVERED THEREBY WHICH ARE TENDERED BUT FOR WHICH REMARKETING PROCEEDS ARE NOT AVAILABLE. THE INITIAL LIQUIDITY FACILITY DOES NOT SUPPORT THE PAYMENT OF PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON THE REOFFERED BONDS COVERED THEREBY AS THE SAME BECOMES DUE AND PAYABLE. UNDER CERTAIN CIRCUMSTANCES DESCRIBED HEREIN, THE OBLIGATION OF THE LIQUIDITY FACILITY PROVIDER TO PURCHASE REOFFERED BONDS MAY BE TERMINATED OR SUSPENDED IMMEDIATELY AND, THEREFORE, FUNDS MAY NOT BE AVAILABLE TO PURCHASE TENDERED BUT UNREMARKETED BONDS.

The Initial Liquidity Facility contains certain covenants on the part of the University. The Initial Liquidity Facility provides that, without the prior written consent of the Bank, the University will not agree or consent to any amendment, supplement or modification of, or any waiver under, the Resolution or the Loan Agreement except for those amendments, supplements or modifications that may be effected without the consent of Bondholders.

Events of Default Under Initial Liquidity Facility

The following are "Events of Default" under the Initial Liquidity Facility:

(a) Any principal of, or interest on, any Reoffered Bond (including any Bank Bond, other than accelerated Bank Bonds) or any other amount owed to the Bank pursuant to the Initial Liquidity Facility (solely with respect to principal or interest on Bank Bonds, shall not be paid when due; or

(b) (i) the University shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to the University or debt of the University ranking on a parity with, or senior to, the Tendered Bonds, or (B) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its assets, or the University shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against the University any case, proceeding or other action of a nature referred to in clause (i) above which (x) results in an order for such relief or in the appointment of a receiver or similar official or (y) remains undismissed, undischarged or unbonded for a period of 60 days; or (iii) there shall be commenced against the University any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets, which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 days from the entry thereof; or (iv) the University shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii) or (iii) above; or (v) the University shall admit in writing its inability to pay debt ranking on a parity with, or senior to, the Bonds; or

(c) (i) any material provision of the Initial Liquidity Facility or the Bank Bonds relating to payment of principal or interest shall at any time for any reason cease to be valid and binding on the University or any governmental authority having jurisdiction shall find or rule that any material provision of the Initial Liquidity Facility or the Bank Bonds requiring the University to pay principal and interest is unenforceable, non-binding or invalid, or (ii) the validity or enforceability of any material provision of the Initial Liquidity Facility or the Reoffered Bonds requiring the University to pay principal and interest on the Reoffered Bonds shall be contested by the University in a legal or administrative proceeding or (iii) an authorized representative of the University shall deny in a legal or administrative proceeding or in writing that the University has any or further liability or obligation with respect to the foregoing; or

(d) the long-term rating assigned to the University, the Reoffered Bonds or any Debt of the University secured on a parity basis with the Reoffered Bonds is suspended or withdrawn for credit-related reasons or reduced below "Baa3" by Moody's and "BBB-" by S&P; or

(e) the University shall default in any payment of principal of or premium, if any, or interest on any indebtedness of the University for borrowed money evidenced by a note or bond ranking on a parity with, or senior to, the Reoffered Bonds in excess of $10,000,000 in the aggregate and such default shall continue beyond the expiration of the applicable grace period, if any, and shall permit or result in the declaring due and payable of such obligation prior to the date on which it would otherwise have become due and payable; or

(f) any governmental authority having appropriate jurisdiction over the University shall make a finding or ruling or shall enact or adopt legislation or issue an executive order or enter a final non-appealable judgment or decree which results in, a debt moratorium, debt restructuring, debt adjustment or comparable extraordinary restriction on the repayment when due and payable of the principal of or interest on the Tendered Bonds; or

(g) any representation or warranty made by the University under or in connection with the Initial Liquidity Facility shall prove to be untrue in any material respect on the date as of which it was made; or

(h) the breach by the University of any terms or provisions of the Initial Liquidity Facility (except those covering events of default) which are not remedied within 30 days after written notice thereof shall have been received by the University from the Bank; provided, however, that if the breach is one that cannot be completely remedied within the 30 days after written notice has been given, the cure period shall be extended so long as the University has taken active steps within the 30 days and is diligently pursuing such remedy; provided further, however, that there shall be no 30-day cure period applicable to certain specified covenants; or

(i) a final, nonappealable judgment or order for the payment of money in excess of $10,000,000 shall be rendered against the University with respect to which, in the opinion of the Bank, is not covered by insurance or adequate cash reserves have not been established, and such judgment or order shall continue unsatisfied and unstayed for a period of 30 days; or

(j) the occurrence of any "event of default" as defined in the Resolution or the Loan Agreement which is not otherwise described in the Initial Liquidity Facility, other than the failure of the University to purchase the Reoffered Bonds if the Bank fails to purchase such Bonds when required by the terms and conditions of the Initial Liquidity Facility.

Consequences of Events of Default

Upon the occurrence of any Event of Default under the Initial Liquidity Facility described in paragraphs (a), (b), (c), (d), (e) or (f) above, the Bank's obligation to purchase Reoffered Bonds under the Initial Liquidity Facility <u>shall immediately terminate without notice or other action on the part of the Bank</u> and its commitment to purchase Tendered Bonds under the Initial Liquidity Facility shall immediately terminate and all accrued fees and other amounts due and outstanding under the Initial Liquidity Facility shall be immediately due and payable.

In addition to the rights and remedies set forth in the immediately preceding paragraph, upon the occurrence of any other Event of Default under the Initial Liquidity Facility, the Bank may, in its sole and absolute discretion, terminate the Initial Liquidity Facility by giving written notice to the University, the Authority, the Trustee, the Tender Agent and the Remarketing Agent stating that such an Event of Default has occurred and is continuing and that the Initial Liquidity Facility will terminate on the 45th day following receipt of such notice by the Tender Agent. Following receipt of such a notice of termination from the Bank, the Tender Agent shall give notice of a mandatory tender of all of the Reoffered Bonds on a mandatory tender date which shall be at least one Business Day prior to the date of termination of the Initial Liquidity Facility. Provided that any drawing by the Tender Agent on the Bank to fund such mandatory tender has been honored and the Bank has purchased all of the Bonds in accordance with the provisions of the Series Resolutions, the Bank's commitment to purchase Reoffered Bonds shall terminate at the close of business on the next following Business Day and the Bank thereafter shall be under no obligation under the Initial Liquidity Facility to purchase Reoffered Bonds.

In addition to the rights and remedies set forth above, upon the occurrence of any Event of Default under the Initial Liquidity Facility, the Bank may take any other action or remedies available to it under the Initial Liquidity Facility, the Transaction Documents or otherwise pursuant to law or equity in order to enforce the rights of the Bank under the Initial Liquidity Facility, under the Transaction Documents or otherwise, provided, however, the Bank agrees to purchase Reoffered Bonds on the terms and conditions of the Initial Liquidity Facility notwithstanding the occurrence of an Event of Default which does not immediately terminate its obligation to purchase Reoffered Bonds as described above.

Termination of the Initial Liquidity Facility

The obligation of the Bank to purchase Reoffered Bonds under the Initial Liquidity Facility shall expire on the earliest of (i) the close of business on August 31, 2010 (subject to extension as provided in the Initial Liquidity Facility), (ii) the date on which no Reoffered Bonds are outstanding, (iii) the close of business on the date on which all of the Reoffered Bonds have been converted to a Commercial Paper Rate, Term Rate or Fixed Rate, so long as the Bank has honored any purchase of Reoffered Bonds resulting from such conversion or change in accordance with the terms of the Initial Liquidity Facility and the Resolution, (iv) the earlier of the termination date specified in a notice of termination given by the Bank to the Tender Agent and the close of business on the Business Day following the mandatory tender date specified in a notice given by the Tender Agent as described under "*Consequences of Event of Default*" above, provided that the Bank has honored any purchase of Reoffered Bonds resulting from such notice in accordance with the terms of the Initial

Liquidity Facility and the Resolution, and (v) the date on which the Bank's commitment has been reduced to zero or terminated in its entirety as a result of (x) a substitute Liquidity Facility having been issued pursuant to the terms of the Resolution, so long as the Bank has honored any purchase of Reoffered Bonds resulting from such substitution in accordance with the terms of the Initial Liquidity Facility and the Resolution, (y) voluntary termination of the Initial Liquidity Facility by the University, or (z) the occurrence of an immediate termination event as described under "*Consequences of Event of Default*" above.

Substitute Liquidity Facility

Subject to any limitations contained in any Liquidity Facility then in effect or the agreement with the Facility Provider related to such Liquidity Facility, the University may replace the Liquidity Facility for the Reoffered Bonds with a substitute Liquidity Facility. A Liquidity Facility may, but is not required to, be replaced if the ratings on the Reoffered Bonds are reduced, suspended or withdrawn by Moody's or S&P. See "PART 3 - THE REOFFERED BONDS – Description of the Reoffered Bonds - *Mandatory Tender*."

Security for the Reoffered Bonds

The Reoffered 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 Reoffered Bonds are not a debt of the State nor is the State liable thereon. The Authority has no taxing power. Neither the State nor the Authority has any responsibility to make payments with respect to the Reoffered Bonds except for the Authority's responsibility to make payments from moneys received from the University 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 University to make payments under the Loan Agreement are general, unsecured obligations of the University. The obligations of the University 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 University 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 University has been granted by the University to the Authority under the Loan Agreement. However, the University has granted security interests in certain revenues and assets of the University to secure certain of the University's outstanding indebtedness other than the Bonds. See "PART 4 - THE UNIVERSITY - ANNUAL FINANCIAL STATEMENT INFORMATION - Indebtedness," for a description of such indebtedness of the University secured by certain pledged revenues. In the event of a default under any debt instrument secured by such pledged revenues, the holder or trustee under such debt instrument (including the Authority as the holder of such other debt) will have the right to collect a portion or all of such pledged revenues, and apply the revenues so collected to the payment of amounts due under such debt instrument. Any revenues so collected and applied will not be available for satisfying any of the University's obligations 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 University 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 of the Authority issued on behalf of the University. The Bonds which may be issued include Fixed Interest Rate Bonds, 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 University.

General

The Reoffered Bonds are not a debt of the State nor is the State 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 5 - THE AUTHORITY."

PART 3 - THE REOFFERED BONDS

Set forth below is a narrative description of certain provisions relating to the Reoffered 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 Reoffered Bonds.

General

The Reoffered Bonds were issued by the Authority pursuant to the Resolution and the applicable Bond Series Certificate. The Reoffered Bonds are fully registered bonds and will be registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), pursuant to DTC's Book-Entry Only System. So long as DTC or its nominee, Cede & Co., is the registered owner of the Reoffered Bonds, payments of the principal, Purchase Price and Redemption Price of and interest on the Reoffered 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 Reoffered Bonds is the responsibility of the DTC Participants and the Indirect Participants (as hereinafter defined). See "PART 3 - THE REOFFERED BONDS - Book-Entry Only System." If the Reoffered Bonds are not registered in the name of DTC or its nominee, Cede & Co., the principal, Purchase Price or Redemption Price of Reoffered Bonds will be payable at the principal corporate trust office of Wells Fargo Bank, National Association as Trustee, Paying Agent and Tender Agent upon presentation and surrender of such Reoffered Bonds to it.

The Reoffered Bonds may be exchanged for other Reoffered Bonds of the same Series in any other authorized denominations upon payment of a charge sufficient to reimburse the Authority or the Trustee for any tax, fee or other governmental charge required to be paid with respect to such exchange and for the cost of preparing the new bond, and otherwise as provided in the Resolution. The Authority will not be obligated to make any exchange or transfer of Reoffered Bonds (i) during the period beginning on the Record Date next preceding an Interest Payment Date for such Reoffered Bonds and ending on such Interest Payment Date or (ii) after the date next preceding the date on which the Trustee commences selection of Reoffered Bonds for redemption.

Description of the Reoffered Bonds

General

The Series 2002A2 Bonds will mature on July 1, 2032. The Series 2002A2 Bonds will bear interest from the Reoffering Date through their Initial Rate Period at their Initial Rate and thereafter will bear interest in the Daily Rate Mode or the Weekly Rate Mode (payable on the first Business Day of each month) until the Series 2002A2 Bonds are converted to another Rate Mode.

The Series 2005A Bonds will mature on July 1, 2035. The Series 2005A Bonds will bear interest from the Reoffering Date through their Initial Rate Period at their Initial Rate and thereafter will bear interest in the Daily Rate Mode or the Weekly Rate Mode (payable on the first Business Day of each month) until the Series 2005A Bonds are converted to another Rate Mode.

The Reoffered Bonds will be issued in denominations of $100,000 or any integral multiple of $5,000 in excess thereof during the Initial Rate Period and any Daily Rate Period or Weekly Rate Period. *Unless otherwise set forth herein, the description of the Reoffered Bonds and the related documents included herein generally relate only to the terms and provisions which are applicable while the Reoffered Bonds bear interest in the Daily Rate Mode or the Weekly Rate Mode.*

Interest on the Reoffered Bonds will be payable during their respective Initial Rate Periods, Daily Rate Periods and Weekly Rate Periods in immediately available funds by check or, at the request of a Holder, by wire transfer to the wire transfer address within the continental United States to which such Holder has, prior to the applicable Record Date, directed the Trustee to wire such interest. The Record Date is the close of business on the Business Day immediately preceding each Interest Payment Date during the respective Initial Rate Periods and any Daily Rate Period or Weekly Rate Period.

Interest Payment Dates for Reoffered Bonds

Interest on each Series of the Reoffered Bonds will be paid October 1, 2009 and on the first Business Day of each month thereafter, while bearing interest at a Daily Rate or a Weekly Rate, until converted to another Rate Mode other than a Daily Rate Mode or a Weekly Rate Mode. Interest will also be paid on each Mandatory Tender Date. Interest on each Series of the Reoffered Bonds will be computed during their respective Initial Rate Periods and any Daily Rate Period or Weekly Rate Period on the basis of a 365-day or 366-day year, as appropriate, for the actual number of days elapsed.

Rate Periods

The Initial Rate Periods for each Series of the Reoffered Bonds begins on the Reoffering Date and will continue to and including the Wednesday following such Reoffering Date. During the Initial Rate Periods, the Initial Rate for each Series of the Reoffered Bonds will be established by the Remarketing Agent. Beginning on the Thursday next following the Initial Rate Period, the Reoffered Bonds will bear interest at Weekly Rates for successive Weekly Rate Periods until converted to another Rate Mode. With respect to the Weekly Rate, each Weekly Rate Period will begin on a Thursday and end on Wednesday of the following week or on an earlier Conversion Date to another Rate Mode. With respect to the Daily Rate, the Reoffered Bonds will bear interest at a Daily Rate for each Business Day upon which the Daily Interest Rate is determined until converted to another Rate Period. The Daily Interest Rate for any day which is not a Business Day shall be the same as the Daily Interest Rate for the immediately preceding Business Day.

Establishment of Rates

Each Daily Rate or Weekly Rate will be the rate of interest that, in the Remarketing Agent's judgment, having due regard for the prevailing financial market conditions for bonds or other securities the interest on which is excludable from gross income for federal income tax purposes of the same general nature as the Reoffered Bonds and which are comparable to the Reoffered Bonds as to credit and maturity or tender dates, would be the lowest interest rate which would enable the Reoffered Bonds to be sold at a price of par, plus accrued interest, if any, on the first day of the Rate Period. In no event may the interest rate on either Series of the Reoffered Bonds for any Rate Period exceed the Maximum Rate. Each Daily Rate is to be determined no later than 10:00 a.m., New York City time, on each Business Day. Each Weekly Rate is to be determined no later than 5:00 p.m., New York City time, on the Business Day next preceding each Weekly Rate Period.

If for any reason the Daily Rate or Weekly Rate for any Daily Rate Period or Weekly Rate Period is not established, no Remarketing Agent is serving under the Resolution (unless removed by the University and no successor has been named) or the Daily Rate or Weekly Rate is held to be invalid or unenforceable, or pursuant to the Remarketing Agreement, the Remarketing Agent is not required to establish a Daily Rate or Weekly Rate, then the Daily Rate Weekly Rate for such Daily Rate Period or Weekly Rate Period will be the SIFMA Municipal Index.

Conversion to Another Rate Mode

The Authority, subject to certain conditions, may convert all or a portion of each Series of the Reoffered Bonds from the Daily Rate Mode or the Weekly Rate Mode to another Rate Mode. Other than conversions from Weekly Rate Periods to Daily Rate Periods and from Daily Rate Periods to Weekly Rate Periods, the Reoffered Bonds to be converted will be subject to mandatory tender upon such conversion.

If any Series of the Reoffered Bonds are to be converted to another Rate Mode, the Tender Agent is to give a Conversion Notice to the Holders of such Series of Reoffered Bonds by first class mail, not less than 15 days preceding the Conversion Date. The Conversion Notice must set forth, among other things (a) the proposed Conversion Date, (b) the Rate Mode that will be effective on such Conversion Date, (c) that the conversion will not occur unless the Tender Agent has received on the Conversion Date an Opinion of Bond Counsel, (d) the name and address of the principal corporate trust offices of the Trustee and Tender Agent, and (e) that, whether or not tendered to the Tender Agent, the Reoffered Bonds to be converted (other than those being converted from Weekly Rate Periods to Daily Rate Periods or from Daily Rate Periods to Weekly rate Periods) will be deemed to have been properly tendered for purchase on the Conversion Date and the Holders of such Reoffered Bonds will no longer be entitled to the payment of the principal of or interest on such Reoffered Bonds, but will only be entitled to payment of the Purchase Price.

If on such proposed Conversion Date, the conditions required for a change to another Rate Mode have not been met, the Reoffered Bonds to have been converted (other than from the Daily Rate Mode or Weekly Rate Mode to the Weekly Rate Mode or Daily Rate Mode) will continue to be subject to mandatory tender on the proposed Conversion Date. The Reoffered Bonds to have been converted will not convert to the other Rate Mode, and will remain in the Daily Rate Mode or the Weekly Rate Mode then in effect. The interest rate on the Reoffered Bonds during such Daily Rate Period or Weekly Rate Period will be determined on the date the Reoffered Bonds were to have converted to the other Rate Mode.

Optional Tender of Reoffered Bonds

While the Reoffered Bonds bear interest at the Daily Rate or the Weekly Rate, the Holders of Reoffered Bonds may elect to tender their Reoffered Bonds (or portions thereof in Authorized Denominations) for purchase at the Purchase Price on any Business Day (an "Optional Tender Date").

To exercise the tender option, a Bondholder must deliver to the Remarketing Agent and Tender Agent at their principal offices, not later than 11:00 a.m., New York City time, on any Business Day in the case of Reoffered Bonds in the Daily Rate Mode, and not later than 5:00 p.m., New York City time, on the seventh calendar day preceding the Optional Tender Date in the case of Reoffered Bonds in the Weekly Rate Mode, an irrevocable telephonic notice (subsequently confirmed in writing the same day) or written notice which states (i) the aggregate principal amount in an Authorized Denomination of each Reoffered Bond to be purchased and (ii) that each such Reoffered Bond (or portion thereof in an Authorized Denomination) is to be purchased on the Optional Tender Date.

As long as the Reoffered Bonds are registered in the name of Cede & Co., as nominee of DTC, the tender option may only be exercised by a DTC Participant (as hereinafter defined) on behalf of a Beneficial Owner (as hereinafter defined) of Reoffered Bonds by giving written notice of its election to tender at the times and in the manner described above. An election to tender a Reoffered Bond for purchase is irrevocable and binding on the Holder or DTC Participant making such election, the Beneficial Owner on whose behalf the notice was given and on any transferee thereof.

Mandatory Tender of Reoffered Bonds

Each Series of the Reoffered Bonds are subject to mandatory tender and purchase at the Purchase Price on the following dates (each a "Mandatory Tender Date"): (i) the Conversion Date of any conversion other than from the Weekly Rate Mode or the Daily Rate Mode to the Daily Rate Mode or the Weekly Rate Mode, (ii) three Business Days prior to the date on which any Liquidity Facility then in effect expires, unless the Expiration Date has been extended at least 20 days prior to such Expiration Date in the case of the Series 2002A2 Bonds and at least 30 days in the case of the Series 2005A Bonds, (iii) upon the issuance of a substitute Liquidity Facility, (iv) not less than one Business Day prior to the Termination Date of the Liquidity Facility at the direction of the Bank upon the occurrence of certain events of default under the Liquidity Facility, and (v) any Reset Date designated by the Authority during any Weekly Rate Mode or Daily Rate Mode. Reoffered Bonds to be converted from a Daily Rate Mode to a Weekly Rate Mode, or from a Weekly Rate Mode to a Daily Rate Mode, are not subject to mandatory tender. The Tender Agent shall give such Conversion Notice to the Holders of such Reoffered Bonds by first class mail, not less than 15 days preceding any Conversion Date. In the case of Reoffered Bonds being tendered upon the delivery of a substitute Liquidity Facility or the termination of a Liquidity Facility, notice shall be given not less than five days prior to the Mandatory Tender Date.

Immediate Termination of Obligation to Purchase Reoffered Bonds Under the Initial Liquidity Facility in Certain Circumstances

WHILE THE INITIAL LIQUIDITY FACILITY IS IN PLACE, UPON THE OCCURRENCE AND CONTINUANCE OF CERTAIN EVENTS OF DEFAULT, THE OBLIGATION OF THE BANK TO PURCHASE THE REOFFERED BONDS UNDER SUCH INITIAL LIQUIDITY FACILITY WILL TERMINATE IMMEDIATELY WITHOUT PRIOR NOTICE OR DEMAND TO HOLDERS OF THE REOFFERED BONDS AND WITHOUT MANDATORY TENDER OF THE REOFFERED BONDS. AFTER THE OCCURRENCE OF SUCH EVENTS OF DEFAULT, OWNERS OF A REOFFERED BOND TENDERED FOR PURCHASE WOULD NOT BE ENTITLED TO HAVE THEIR REOFFERED BOND PURCHASED BY THE BANK FROM FUNDS MADE AVAILABLE UNDER THE INITIAL LIQUIDITY FACILITY. See "SOURCES OF PAYMENT AND SECURITY FOR THE REOFFERED BONDS – Liquidity Facility – *Initial Liquidity Facility – Events of Default Under Initial Liquidity Facility – Consequences of Events of Default*" herein.

Delivery of Tendered Reoffered Bonds

Reoffered Bonds or portions thereof, other than Reoffered Bonds registered in the name of DTC or its nominee, Cede & Co., for which an election to tender has been made and Reoffered Bonds subject to mandatory tender are to be delivered and surrendered to the Tender Agent at its principal corporate trust office in The City of New York on the Tender Date. If on the Tender Date there is on deposit with the Tender Agent sufficient moneys to pay the Purchase Price of the Tendered Bonds, such Bonds will be deemed tendered without physical delivery to the Trustee and the Holders or DTC Participants and Beneficial Owners of such Bonds will have no further rights thereunder other than the right to the payment of the Purchase Price. The Purchase Price for Tendered Bonds is payable solely out of the moneys derived from the remarketing of such Reoffered Bonds and the moneys made available by the University or pursuant to a Liquidity Facility if one is then in effect. The Authority has no obligation to pay the Purchase Price out of any other moneys.

Remarketing and Purchase of Reoffered Bonds

The Remarketing Agent is required to use its best efforts to remarket the Tendered Bonds. However, the Remarketing Agent is not required to remarket, and may immediately suspend its remarketing efforts of, any Tendered Bonds under certain circumstances, including, among others (i) if an Event of Default with respect to the Reoffered Bonds has occurred and is continuing under the Resolution, (ii) the Remarketing Agent determines that any applicable disclosure document or undertaking required in connection with the remarketing of the Reoffered Bonds is either unavailable or not satisfactory to the Remarketing Agent or (iii) the Remarketing Agent has received an Opinion of Bond Counsel that the exclusion from gross income of interest on the Reoffered Bonds for federal income tax purposes, or the exemption from registration under the Securities Act of 1933, as amended, or the exemption from qualification of the Resolution under the Trust Indenture Act of 1939, as amended, can be challenged. In addition, the University, with the consent of the Authority, may direct the Remarketing Agent to discontinue or suspend the remarketing of the Reoffered Bonds.

Tendered Bonds will be purchased from the Holders on the Tender Date at the Purchase Price. Interest on Tendered Bonds to be purchased after the Record Date for an Interest Payment Date will be paid to the registered owner of the Tendered Bonds on the Record Date. The Purchase Price is to be paid from (i) the proceeds of the remarketing of Tendered Bonds, (ii) moneys obtained under the Liquidity Facility for the respective Series of the Reoffered Bonds or (iii) moneys provided by the University.

No Reoffered Bond tendered for purchase at the option of the Holder which does not strictly conform to the description contained in the notice of tender will be purchased from its Holder.

Rate Period Tables

The following Rate Period Tables are provided for the convenience of the Holder. The information contained in the chart is not intended to be comprehensive. Reference is made to the above description and to the Resolution and the Bond Series Certificate for a more complete description.

Daily Rate Period Table

Duration of Rate Period	The Business Day upon which a Daily Rate is set, to but not including the next succeeding Business Day
Interest Payment Dates	The first Business Day of each month and each Mandatory Tender Date
Interest Rate Determination Dates	By 10:00 a.m. New York City time on each Business Day
Optional Tender Date	Any Business Day
Bondholder Notice of Tender Due	No later than 11:00 a.m. New York City time on any Business Day

Weekly Rate Period Table

Duration of Rate Period	Seven days beginning on a Thursday to and including the following Wednesday
Interest Payment Dates	The first Business Day of each month and each Mandatory Tender Date
Interest Rate Determination Dates	By 5:00 p.m. New York City time on the Business Day prior to the first day of the Weekly Rate Period
Optional Tender Date	Any Business Day
Bondholder Notice of Tender Due	No later than 5:00 p.m. New York City time on the seventh day preceding the Optional Tender Date

Certain Considerations Affecting Sales of Variable Rate Bonds

The Remarketing Agent is Paid by the University

The Remarketing Agent's responsibilities include determining the interest rate from time to time and remarketing the Reoffered Bonds that are optionally or mandatorily tendered by the owners thereof (subject to the terms of the Remarketing Agreement), all as further described in this Reoffering Circular. The Remarketing Agent is appointed by the University and is paid by the University for its services. As a result, the interests of the Remarketing Agent may differ from those of existing holders and potential purchasers of Reoffered Bonds.

Under certain circumstances, the Remarketing Agent may be removed or have the ability to resign or cease its remarketing efforts, without a successor having been named, subject to the terms of the Remarketing Agreement.

The Remarketing Agent Routinely Purchases Bonds for its Own Accounts

The Remarketing Agent acts as remarketing agent for a variety of variable rate demand obligations and, in its sole discretion, routinely purchases such obligations for its own accounts. The Remarketing Agent is permitted, but not obligated, to purchase tendered Reoffered Bonds for its own accounts and, in its sole discretion, may routinely acquire tendered Reoffered Bonds in order to achieve a successful remarketing of the Reoffered Bonds for which it serves as Remarketing Agent (i.e., because there otherwise are not enough buyers to purchase the Reoffered Bonds) or for other reasons. However, the Remarketing Agent is not obligated to purchase Reoffered Bonds, and may cease doing so at any time without notice. The Remarketing Agent may also make a market in the Reoffered Bonds by routinely purchasing and selling Reoffered Bonds other than in connection with an optional or mandatory tender and remarketing. Such purchases and sales may be at or below par. However, the Remarketing Agent is not required to make a market in the Reoffered Bonds. The Remarketing Agent may also sell any Reoffered Bonds it has purchased to one or more affiliated investment vehicles for collective ownership or enter into derivative arrangements with affiliates or others in order to reduce its exposure to the Reoffered Bonds. The purchase of Reoffered Bonds by the Remarketing Agent may create the appearance that there is greater third party demand for the Reoffered Bonds in the market than is actually the case. The practices described above also may result in fewer Reoffered Bonds being tendered in a remarketing.

Reoffered Bonds May be Offered at Different Prices on any Date

Pursuant to the Remarketing Agreement and the Resolution, the Remarketing Agent is required to determine the rate of interest that, in its judgment, having due regard for the prevailing financial market conditions for revenue bonds or other securities the interest on which is excludable from gross income for federal income tax purposes and which are comparable to the Reoffered Bonds as to credit and maturity or tender dates, would be the lowest interest rate which would enable the Reoffered Bonds to be sold at a price of par plus accrued interest, if any, on the first day of the Rate Period. The interest rate will reflect, among other factors, the level of market demand for the Reoffered Bonds (including whether the Remarketing Agent is willing to purchase Reoffered Bonds for its own accounts). The Remarketing Agreement and the Resolution require that the Remarketing Agent use its best efforts to sell Tendered Bonds at par, plus accrued interest. There may or may not be Reoffered Bonds tendered and remarketed on the date that the rate is determined or becomes effective, the Remarketing Agent may or may not be able to remarket any Reoffered Bonds tendered for purchase on such date at par and the Remarketing Agent may sell Reoffered Bonds at varying prices to different investors on such date or any other date. The Remarketing Agent is not obligated to advise purchasers in a remarketing if it does not have third party buyers for all of the Reoffered Bonds at the remarketing price. The Remarketing Agent, in its sole discretion, may offer Reoffered Bonds on any date, including the date that the rate is determined or becomes effective, at a discount to par to some investors.

The Ability to Sell the Reoffered Bonds other than through Tender Process May Be Limited

The Remarketing Agent may buy and sell Reoffered Bonds other than through the tender process. However, it is not obligated to do so and may cease doing so at any time without notice and may require holders that wish to tender their Reoffered Bonds to do so through the tender agent with appropriate notice. Thus, investors who purchase the Reoffered Bonds, whether in a remarketing or otherwise, should not assume that they will be able to sell their Reoffered Bonds other than by tendering the Reoffered Bonds in accordance with the tender process.

Redemption and Purchase in Lieu of Redemption Provisions

The Reoffered Bonds are subject to optional redemption as described below.

Optional Redemption

The Reoffered Bonds are subject to optional redemption at the election of the Authority upon the direction of the University, as a whole or in part on any Business Day, at a redemption price equal to 100% of the principal amount of Reoffered Bonds or portions thereof to be redeemed, plus accrued interest, if any, to the redemption date.

Purchase in Lieu of Optional Redemption

The Reoffered Bonds are also subject to purchase in lieu of optional redemption prior to maturity at the election of the University, on any Business Day, in any order, in whole or in part at any time, at a price of 100% of the principal amount thereof (the "Purchase Price"), plus accrued interest to the date set for purchase (the "Purchase Date").

Special Redemption

The Reoffered 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 of the Reoffered Bonds being redeemed relate.

Selection of Bonds to be Redeemed

In the case of redemptions of less than all of a Series of the Reoffered Bonds, the Authority will select the principal amount of any such Series of the Reoffered Bonds to be redeemed. If less than all of a Series of the Reoffered Bonds are to be redeemed, the maturities of such Series of Reoffered Bonds 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

The Trustee is to give notice of the redemption of the Reoffered Bonds in the name of the Authority, by first-class mail, postage prepaid, not less than 15 days nor more than 30 days prior to the redemption date, to the registered owners of any Reoffered 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 Reoffered Bonds to be redeemed. The failure of any owner of a Reoffered Bond to be redeemed to receive notice of redemption will not affect the validity of the proceedings for the redemption of such Reoffered 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 15 days nor more than 30 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 Reoffered Bonds. Redemption of the Reoffered Bonds at the option of the Authority may be conditioned on there being sufficient money available on the redemption date to pay the Redemption Price of the Reoffered Bonds and may be subject to such other conditions as the Authority may establish. The notice given for the optional redemption of Reoffered Bonds is required to state all such conditions.

If on the redemption date moneys for the redemption of the Reoffered Bonds 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 and all other conditions to redemption have been satisfied, then interest on such Reoffered Bonds will cease to accrue from and after the redemption date and such Reoffered Bonds will no longer be considered to be Outstanding.

Notice of Purchase in Lieu of Redemption and its Effect

Notice of purchase of the Reoffered Bonds will be given in the name of the University to the registered owners of the Reoffered Bonds to be purchased by first-class mail, postage prepaid, not less than 15 days nor more than 30 days prior to the Purchase Date specified in such notice. The Reoffered Bonds to be purchased are required to be tendered on the Purchase Date to the Trustee. Reoffered Bonds to be purchased that are not so tendered will be deemed to have been properly tendered for purchase. If the Reoffered Bonds are called for purchase in lieu of an optional redemption, such purchase will not extinguish the indebtedness of the Authority evidenced thereby or modify the terms of the Reoffered Bonds. Such Reoffered Bonds need not be cancelled, and will remain Outstanding under the Resolution and continue to bear interest.

The University's obligation to purchase a Reoffered Bond to be purchased or cause it to be purchased is conditioned upon the availability of sufficient money to pay the Purchase Price for all of the Reoffered Bonds to be purchased on the Purchase Date. If sufficient money is available on the Purchase Date to pay the Purchase Price of the Reoffered Bonds to be purchased, the former registered owners of such Reoffered Bonds will have no claim thereunder or under the Resolution or otherwise for payment of any amount other than the Purchase Price. If sufficient money is not available on the Purchase Date for payment of the Purchase Price, the Reoffered Bonds tendered or deemed tendered for purchase will continue to be registered in the name of the registered owners on the Purchase Date, who will be entitled to the payment of the principal of and interest on such Reoffered Bonds in accordance with their respective terms.

If not all of the Outstanding Reoffered Bonds of a maturity are to be purchased, the Reoffered Bonds of such maturity to be purchased will be selected by lot in the same manner as Reoffered Bonds of a maturity to be redeemed in part are to be selected.

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

Book-Entry Only System

The Depository Trust Company ("DTC"), New York, New York, is the securities depository for the Reoffered Bonds. The Reoffered Bonds are fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Reoffered Bond certificate has been issued for each maturity of each Series of the Reoffered Bonds, each in the aggregate principal amount of such maturity, and has been 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 securities that its 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 Reoffered Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Reoffered Bonds on DTC's records. The ownership interest of each actual purchaser of each Reoffered Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Reoffered 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 any Series of the Reoffered Bonds, except in the event that use of the book-entry system for a Series of the Reoffered Bonds is discontinued.

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

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

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

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to Reoffered Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an omnibus proxy (the "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 Reoffered Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, redemption premium, if any, and interest payments on the Reoffered 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 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, redemption premium, if any, 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.

A Beneficial Owner shall give notice to elect to have its Reoffered Bond tendered for purchase, through its Participant, to the Tender Agent and the Remarketing Agent, and shall effect delivery of such Reoffered Bond by causing the Direct Participant to transfer the Participant's interest in the Reoffered Bond, on DTC's records, to the Tender Agent. The requirement for physical delivery of Reoffered Bonds in accordance with an optional tender for purchase will be deemed satisfied when the ownership rights in the Reoffered Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Reoffered Bonds to the Tender Agent's DTC account.

Unless otherwise noted, certain of the information contained in the preceding paragraphs of this subsection "Book-Entry Only System" has been extracted from information given by DTC. Neither the Authority, the Trustee nor the Remarketing Agent make any representation as to the completeness or the accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

The Authority and the Trustee may treat DTC (or its nominee) as the sole and exclusive registered owner of the Reoffered Bonds registered in its name for the purposes of payment of the principal and redemption premium, if any, of, or interest on, the Reoffered Bonds, giving any notice permitted or required to be given to registered owners under the Resolution, registering the transfer of the Reoffered Bonds, or other action to be taken by registered owners and for all other purposes whatsoever. The Authority and the Trustee shall not have any responsibility or obligation to any Direct or Indirect Participant, any person claiming a beneficial ownership interest in the Reoffered Bonds under or through DTC or any Direct or Indirect Participant, or any other person which is not shown on the registration books of the Authority (kept by the Trustee) as being a registered owner, with respect to the accuracy of any records maintained by DTC or any Direct or Indirect Participant; the payment by DTC or any Direct or Indirect Participant of any amount in respect of the principal, redemption premium, if any, or interest on the Reoffered Bonds; any notice which is permitted or required to be given to registered owners thereunder or under the conditions to transfers or exchanges adopted by the Authority; or other action taken by DTC as registered owner. Interest, redemption premium, if any, and principal will be paid by the Trustee to DTC, or its nominee. Disbursement of such payments to the Direct or Indirect Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of the Direct or Indirect Participants.

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

DTC may discontinue providing its service as securities depository with respect to a Series of the Reoffered Bonds at any time by giving reasonable notice to the Authority and the Trustee, or the Authority may terminate its participation in the system of book-entry transfer through DTC at any time by giving notice to DTC. In either event, the Authority may retain another securities depository for a Series of the Reoffered Bonds or may direct the Trustee to deliver bond certificates in accordance with instructions from DTC or its successor. If the Authority directs the Trustee to deliver such bond certificates, such Reoffered Bonds of a Series may thereafter be exchanged for an equal aggregate principal amount of Reoffered Bonds of a Series in any other authorized denominations and of the same maturity as set forth in the Resolution, upon surrender thereof at the principal corporate trust office of the Trustee, who will then be responsible for maintaining the registration books of the Authority.

NEITHER THE AUTHORITY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO SUCH DTC PARTICIPANTS, INDIRECT PARTICIPANTS, OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR SUCH DTC PARTICIPANTS, INDIRECT PARTICIPANTS, OR THE BENEFICIAL OWNERS. PAYMENTS MADE TO DTC OR ITS NOMINEE SHALL SATISFY THE AUTHORITY'S OBLIGATION UNDER THE ACT AND THE RESOLUTION TO THE EXTENT OF SUCH PAYMENTS.

So long as Cede & Co. is the registered owner of the Reoffered Bonds, as nominee for DTC, references herein to the Bondholders or registered owners of the Reoffered Bonds (other than under the caption "PART 10 - TAX EXEMPTION" herein) shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Reoffered Bonds.

Principal and Interest Requirements

The following table sets forth the amounts required to be paid by the University 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 University, the principal of and interest on the Reoffered Bonds and the total debt service on all indebtedness(1) of the University, including the Reoffered Bonds.

	Reoffered Bonds				
12-Month Period Ending June 30	Principal Payments	Interest Payments(2)	Debt Service on the Reoffered Bonds (2)	Debt Service on Other Indebtedness (1)(2)	Total Debt Service (1)(2)
2010	$ 275,000	$5,622,500	$ 5,897,500	$ 24,157,516	$ 30,055,016
2011	300,000	5,611,500	5,911,500	24,722,520	30,634,020
2012	325,000	5,599,500	5,924,500	24,607,320	30,531,820
2013	325,000	5,586,500	5,911,500	24,586,740	30,498,240
2014	350,000	5,573,500	5,923,500	24,555,400	30,478,900
2015	350,000	5,559,500	5,909,500	19,813,300	25,722,800
2016	350,000	5,545,500	5,895,500	19,813,300	25,708,800
2017	375,000	5,531,500	5,906,500	19,813,300	25,719,800
2018	400,000	5,516,500	5,916,500	19,813,300	25,729,800
2019	425,000	5,500,500	5,925,500	24,928,300	30,853,800
2020	450,000	5,483,500	5,933,500	24,932,550	30,866,050
2021	450,000	5,465,500	5,915,500	24,933,800	30,849,300
2022	475,000	5,447,500	5,922,500	24,311,550	30,234,050
2023	500,000	5,428,500	5,928,500	24,316,300	30,244,800
2024	550,000	5,408,500	5,958,500	24,312,550	30,271,050
2025	575,000	5,386,500	5,961,500	24,310,050	30,271,550
2026	625,000	5,363,500	5,988,500	24,314,000	30,302,500
2027	625,000	5,338,500	5,963,500	24,301,750	30,265,250
2028	675,000	5,313,500	5,988,500	24,304,875	30,293,375
2029	725,000	5,286,500	6,011,500	19,538,100	25,549,600
2030	725,000	5,257,500	5,982,500	19,536,750	25,519,250
2031	800,000	5,228,500	6,028,500	19,534,463	25,562,963
2032	100,825,000	5,196,500	106,021,500	74,536,000	180,557,500
2033	850,000	110,000	960,000	16,790,888	17,750,888
2034	925,000	76,000	1,001,000	16,783,650	17,784,650
2035	975,000	39,000	1,014,000	16,784,525	17,798,525
2036	-	-	-	16,782,800	16,782,800
2037	-	-	-	16,778,238	16,778,238
2038	-	-	-	12,750,600	12,750,600
2039	-	-	-	115,965,600	115,965,600
2040	-	-	-	208,824,000	208,824,000

(1) Not including bank line of credit.

(2) Variable rate debt for which the University has entered into a swap agreement is assumed to bear interest at the respective fixed swap rate and variable rate debt for which the University has not entered into a swap agreement is assumed to bear interest at a rate of 4.00% per annum. See "PART 4 - THE UNIVERSITY - Interest Rate Exchange Agreements."

PART 4 - THE UNIVERSITY

GENERAL INFORMATION

Introduction

The Rockefeller University (the "University" or "Rockefeller") is an internationally recognized not-for-profit center for advanced study and research in biomedical and related natural sciences. The University began in 1901 as The Rockefeller Institute for Medical Research (the "Institute"), one of the first major philanthropies of oil magnate and businessman John D. Rockefeller Sr. With his son, John D. Rockefeller Jr., and financial advisor Frederick Gates, John D. Rockefeller Sr. set about creating a place where scientists could engage in investigations that would, as the University's motto "Pro Bono Humani Generis" reads, benefit humankind. The Institute was the first private American center designed exclusively for biomedical investigations. With the addition of The Rockefeller University Hospital in 1910, the first U.S. facility devoted exclusively to patient-oriented research, the Institute soon became a preeminent center for the apprenticeship and training of the most talented young scientists in the world.

In 1954, this tradition of education became formal with the transformation of the Institute to a graduate university. The University granted its first doctoral degrees in 1959 and, in 1965, changed its name to The Rockefeller University. The research portfolio of the faculty members also expanded to embrace many new fields of study within the natural sciences, from the neurosciences to physics to mathematics.

The principal facilities of the University are located on its campus on the upper east side of Manhattan in New York City, which is situated on a site of approximately 14 acres and is bounded by York Avenue, 68th Street, 62nd Street and the East River. The campus currently has 18 buildings, which include laboratories, a 40-bed research hospital, and faculty and student housing. Many of the University's buildings date to the early 1900's. The most recent addition is the Rockefeller research building constructed in 1991.

Principal Activities of the University

Research Laboratories

From its inception, the University's structure has promoted independence as well as cooperation among its scientists. Unlike many institutions with formal departments, the University has 74 independent active laboratories, allowing scientists and students to freely cross disciplinary boundaries to collaborate and share the concepts and techniques of different fields.

Laboratories operate on a year-round basis, tend to focus on major problems for comparatively long periods of time and combine several scientific perspectives on such problems. The University's uniqueness, and its strength, is the interdisciplinary nature of the research programs permitted by the independent laboratory organization structure.

Rockefeller scientists study basic aspects of biology, chemistry and physics to better understand the fundamentals of human health and disease. Their investigations can be grouped into the following six areas:

- Biochemistry, Structural Biology and Chemistry
- Immunology, Virology and Microbiology
- Medical Sciences and Human Genetics
- Molecular, Cell and Developmental Biology
- Neuroscience
- Physics and Mathematical Biology

The Rockefeller University Hospital

The Rockefeller University Hospital (the "Hospital"), a general clinical research center, has been devoted solely to patient-oriented research since its founding in 1910. The facility has 40 beds and an outpatient clinic and is closely associated with many of the University's clinical research laboratories. The Hospital plays a central role in fulfilling the objectives of the University by linking laboratory investigation to bedside observation.

Education

Since 1959, when the University granted its first doctoral degrees, 800 students have earned Ph.D. degrees from the University, with many continuing their scientific education through postdoctoral appointments. Today, University alumni are teaching and doing research at universities and other not-for-profit scientific institutions throughout the world.

Governance

The University is governed by a Board of Trustees consisting of no more than 40 members. Its current membership is 38, including the President of the University who is an ex-officio member of the Board of Trustees. Under the By-Laws of the University, approximately one-third of the entire Board is elected each year for a term of three years. The full Board holds three regular meetings a year. In addition, the Executive Committee of the Board of Trustees, consisting of not more than 11 members of the Board, meets regularly three times a year and from time to time as the need arises.

The current members of the Board of Trustees are:

*Member of the Executive Committee.

Management

The University is managed by the executive officers of the University, who are elected at the University's annual meeting by the Board of Trustees and who hold office until the next annual meeting or until their respective successors have been elected. The executive officers of the University have general supervisory powers over the activities of the University and are responsible for the work of the University and the carrying out of the policies of the Board of Trustees. The current executive officers of the University are:

Dr. Paul Nurse................................President
Dr. Barry S. Coller..........................Vice President for Medical Affairs, Physician-in-Chief
Ms. Lisa Danzig.............................Vice President and Chief Investment Officer
Ms. Virginia Huffman.....................Vice President for Human Resources
Ms. Maren E. Imhoff.......................Vice President for Development
Mr. James H. Lapple.......................Vice President for Finance, Treasurer
Ms. Harriet S. Rabb.........................Vice President and General Counsel
Ms. Jane Rendall.............................Corporate Secretary
Dr. Sidney Strickland......................Dean and Vice President for Educational Affairs
Dr. John Tooze................................Vice President, Scientific and Facility Operations
Dr. Michael Young.........................Vice President for Academic Affairs

Faculty

Since the University's earliest days, faculty members have consistently won respect and recognition by creating new fields of knowledge, opening new areas of study and solving problems confronting humankind. Twenty-three scientists (listed below) associated with the University, including two alumni, have been awarded Nobel Prizes. Eight of these are currently faculty members at the University.

NOBEL LAUREATES ASSOCIATED WITH THE ROCKEFELLER UNIVERSITY

1912 Alexis Carrel (Physiology or Medicine) - For his work in suturing blood vessels, in blood transfusion, and in the transplantation of organs.

1930 Karl Landsteiner (Physiology or Medicine) - For classification of blood groups.

1944 Herbert S. Gasser (Physiology or Medicine) - For his studies with Joseph Erlanger on the electrophysiology of nerves.

1946 John H. Northrup and Wendell F. Stanley (Chemistry) - For their work with James Summer on the purification and crystallization of enzymes.

1953 Fritz Lipmann (Physiology or Medicine) - For his discovery of coenzyme A and his studies of intermediary metabolism, with Hans Krebs.

1958 Edward L. Tatum (Physiology or Medicine) - For discovering that genes act by regulating specific chemical processes, with George Beadle.

1958 Joshua Lederberg (Physiology or Medicine) - For his work on the organization of genetic material in bacteria.

1966 Peyton Rous (Physiology or Medicine) - For establishing that a virus is the cause of chicken sarcoma, with Charles B. Huggins.

1967 H. Keffer Hartline (Physiology or Medicine) - For work on the physiology and chemistry of vision, with Ragnar Granit and George Wald.

1972 Gerald M. Edelman (Physiology or Medicine) - For determining for the first time the complete chemical structure of immunoglobulins (antibodies), the key molecules of immunity, with Rodney R. Porter.

1972 Stanford Moore and William H. Stein (Chemistry) - For their research on enzymes, body proteins central to life; particularly for identifying the chemical structure of pancreatic ribonuclease, an enzyme that breaks down ribonucleic acid (RNA), with Christian B. Anfinsen.

1974 Albert Claude, Christian De Duve, and George E. Palade (Physiology or Medicine) - For discoveries concerning the functional organization of the cell that were seminal events in the development of modern cell biology.

1975 David Baltimore (Physiology or Medicine) - For discoveries concerning the interaction between tumor viruses and the genetic material of the cell, with Renato Dulbecco and Howard M. Temin.

1981 Torsten Wiesel (Physiology or Medicine) - For studies of how visual information is transmitted from the retina to the brain, with David H. Hubel.

1984 R. Bruce Merrifield (Chemistry) - For his development of a method for synthesizing peptides and proteins.

1999 Gunter Blobel (Physiology or Medicine) - For his discovery that proteins have intrinsic signals that govern their transport and localization in the cell.

2000 Paul Greengard (Physiology or Medicine) - For his discovery of how dopamine and a number of other transmitters in the brain exert their action in the nervous system, with Arvid Carlsson and Eric Kandel.

2001 Paul Nurse (Physiology or Medicine) - For his discovery of key regulators of the cell cycle, with Leland H. Hartwell and R. Timothy Hunt.

2003 Roderick Mackinnon (Chemistry) - For his research on structural and mechanistic studies of ion channels, with Peter Agre.

Affiliated Facilities

Aaron Diamond AIDS Research Center

The Aaron Diamond AIDS Research Center (the “Diamond Center”), directed by University Professor David D. Ho, M.D., focuses on investigating the HIV infection disease process and transmission. Since early 1995, scientists from the Diamond Center, which affiliated with the University in July 1996, have conducted inpatient and outpatient studies of HIV/AIDS at the Hospital. Other studies, conducted at the Diamond Center’s laboratories in mid-Manhattan, focus on the factors that influence HIV’s ability to be transmitted, cause disease, replicate and thwart treatments.

The Rockefeller Archive Center

The Rockefeller Archive Center (the "Archive Center"), in Sleepy Hollow, N.Y., holds the archives of the University. The University's trustees created the Archive Center in 1974 to make available for scholarly research the archival records of the Rockefeller family and of the philanthropic and educational institutions created by members of the family. In July 2008, the Archive Center became an independent not-for-profit entity with the same mission. The archives of the Rockefeller Foundation, Rockefeller Brothers Fund, Memorial Sloan-Kettering Cancer Center and the Population Council are among those collected at the Archive Center.

Major Inter-Institutional Collaborations

To strengthen its research and educational programs and promote the development of essential new shared technological resources, the University has developed a broad array of alliances and partnerships with neighboring institutions:

Tri-Institutional M.D.-Ph.D. Program - rated among the top five in the United States by the National Institutes of Health (with Sloan-Kettering Institute for Cancer Research and Sanford I. Weill Medical College and the Graduate School of Medical Sciences of Cornell University ("Weill Medical College")).

Center for the Study of Hepatitis C - a basic and clinical research initiative (with New York-Presbyterian Hospital and Weill Medical College).

Tri-Institutional Program in Chemical, Computational and Cancer Biology - a $160 million program created with the help of a major grant from The Atlantic Philanthropies (with Memorial Sloan-Kettering Cancer Center and Cornell University).

Structural Genomics Research Consortium - funded by a $26 million grant from the National Institutes of Health (with Weill Medical College, Albert Einstein College of Medicine, Mount Sinai School of Medicine, and Brookhaven National Laboratory).

Synchrotron X-ray Beam Line - for X-ray crystallography, an essential tool for structural biology, created at the Brookhaven National Laboratory (with Memorial Sloan-Kettering Cancer Center and Albert Einstein College of Medicine).

The New York Structural Biology Center - for nuclear magnetic resonance spectroscopy and electron microscopy (with Albert Einstein, City University, Columbia University, Memorial Sloan-Kettering Cancer Center, Mount Sinai School of Medicine, New York University, Wadsworth Center of the New York State Department of Health and Weill Medical College).

Program in Mathematical and Computational Biology - allows Rockefeller students to take high-level courses at one of the world's leading centers for mathematical sciences, and fosters inter-institutional collaboration at every level, from Ph.D. student to senior professor (with the Courant Institute of Mathematical Sciences at New York University).

Gateways to the Laboratory - a summer research program for minority college students (with Sloan-Kettering Institute for Cancer Research and Weill Medical College).

OPERATING INFORMATION

University Staff

Permanent staff of the University, comprising faculty, research scientists, laboratory technicians, administrative and clerical staff, and maintenance and other support staff, numbered 1,845 at June 30, 2009. As of that date, the University had 56 tenured faculty and 517 other faculty and research scientists, including 55 professors, 27 associate professors, 24 assistant professors, 28 senior research associates, 93 research associates, 133 postdoctoral fellows, 162 postdoctoral associates, 11 scientists and 40 other staff members. The University has no collective bargaining agreements.

Student Admissions

Currently, the University has about 200 Ph.D. students and M.D./Ph.D. students in a tri-institutional program in collaboration with Weill Medical College and Sloan-Kettering Institute for Cancer Research. For academic year 2008-09, there were 558 applications to the Ph.D. program and 422 applications to the M.D./Ph.D. program. The combined acceptance ratio for both programs was 8:1. All students receive an annual stipend to cover living expenses.

ANNUAL FINANCIAL STATEMENT INFORMATION

University Properties

In addition to its campus in the City of New York and the Center for Field Research in Ethology and Ecology in Dutchess Country, New York, the University leases from the Authority, pursuant to two leases dated October 15, 1973 and February 6, 1985, two multi-story apartment buildings containing 492 housing units built on land owned by the University and leased to the Authority, bounded by York Avenue, East 63rd Street, FDR Drive service road and East 62nd Street. The apartment buildings provide housing to faculty members, students and staff of the University as well as personnel of an affiliated institution.

The University also owns two apartment buildings, each containing 20 units, located at 325 East 84th Street and 238 East 81st Street, and is the holder of an undivided 27.5% interest of Sutton Terrace Apartments on 430 East 63rd Street. These apartments provide housing for faculty and senior staff.

The following tabulation indicates the net book values (original cost or fair value at date of donation, less accumulated depreciation) of the University's plant assets as of June 30th for the last five fiscal years:

University Plant Assets

Fiscal Year	Land and Buildings	Equipment and Other Fixed Assets	Total
2004	$440,408,000	$34,733,000	$475,141,000
2005	426,951,000	34,408,000	461,359,000
2006	425,225,000	31,311,000	456,536,000
2007	444,000,000	30,530,000	474,530,000
2008	478,799,000	27,625,000	506,424,000

Management Discussion of Operations

The audited financial statements of the University as of June 30, 2008, and for the year then ended are included in Appendix B to this Reoffering Circular. The financial statements include the balance sheet and the related statements of activities and cash flows, as well as related notes to the financial statements.

Net assets of the University are classified and reported as follows:

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

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

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

For a summary of significant accounting policies, see note 1 of the notes to the financial statements of the University included in Appendix B.

The following table provides a summary of the University's total assets, liabilities and net assets as of June 30th for the last five fiscal years:

Financial Summary
Summary of Balance Sheets
As of June 30
(in thousands)

	2004	2005	2006	2007	2008
Total Assets	$2,099,956	$2,368,559	$2,661,282	$3,089,259	$3,069,963
Total Liabilities	310,882	359,981	392,354	412,320	547,253
Total Net Assets	$1,789,074	$2,008,578	$2,268,928	$2,676,939	$2,522,710
Comprised of:					
Unrestricted	$1,383,730	$1,459,886	$1,640,244	$1,953,111	$1,789,049
Temporarily Restricted	233,157	362,441	414,422	492,578	492,859
Permanently Restricted	172,187	186,251	214,262	231,250	240,802
Total Net Assets	$1,789,074	$2,008,578	$2,268,928	$2,676,939	$2,522,710

The following table provides a summary of total revenues (aggregating unrestricted, temporarily restricted and permanently restricted net asset classes), expenses and other changes in net assets for the last five fiscal years:

Financial Summary
Summary of Changes in Net Assets
Fiscal Years Ended June 30
(in thousands)

	2004	2005	2006	2007	2008
Revenues:					
Government grants and contracts	$ 82,782	$ 86,053	$ 91,804	$ 87,058	$ 81,798
Private gifts and grants	47,625	163,694	107,724	137,073	92,843
Investment income and net appreciation (depreciation) in fair value of investments and derivative instruments*	175,284	206,730	288,696	430,223	(85,781)
Sales and services of auxiliary enterprises	25,106	25,520	28,120	27,113	28,679
Rent, royalty and other income	8,497	8,589	11,038	28,439	13,415
Total revenues	339,294	490,586	527,382	709,906	130,954
Expenses:					
Research	146,769	169,420	167,299	175,938	185,298
Graduate education	10,050	12,548	11,038	11,536	11,910
Research support	17,568	22,508	20,160	23,444	25,902
Institutional support	23,641	27,803	30,865	33,329	36,413
Auxiliary enterprises	26,579	34,215	30,599	29,707	32,127
Total expenses	224,607	266,494	259,961	273,954	291,650
Losses:					
Provision for uncollectible pledges	-	4,588	-	2,094	-
Total expenses and losses	224,607	271,082	259,961	276,048	291,650
Postretirement related changes other than net periodic postretirement benefit cost	-	-	-	-	(6,467)
Cumulative effect of change in accounting principle (in 2006) /adoption of SFAS No. 158 (in 2007)	-	-	(7,071)	(25,846)	-
Change in net assets	$114,687	$219,504	$260,350	$408,012	($154,229)

Operating Budget; Spending Policy

The University diligently strives to operate with a balanced budget each year using the annual operating budget as the primary financial control over operations of the University. This budget details revenues by source and expenses by function for each laboratory or administrative division. The University includes in the operating budget investment income using a spending policy as discussed below. The operating budget does not include investment gains or losses above the spending policy or net appreciation (depreciation) on derivative instruments and postretirement related changes other than net periodic retirement benefit costs. The budget preparation process begins in February preceding the start of each fiscal year, with an assessment of the goals and resources of the University. Proposed budgets developed by the laboratories and departments as a result of these assessments are submitted to and reviewed by central management and amended, where necessary. The final proposed budget is submitted to the Board of Trustees for its review and approval in June. During the fiscal year, monthly operating statements are prepared comparing budgeted and actual revenues and expenses. These statements are reviewed by central management and the Finance and Operations Committee of the Board of Trustees of the University.

The University operates under a spending policy for operations that applies a spending rate to the endowment's trailing three-year average fair value of investments. In 2007, the Board voted to increase this spending rate in annual ¼ point increments from 5.25% to 6.0% effective in fiscal year 2010. Under this plan of increases, in fiscal year 2009 the applied spending rate was 5.75% of the three-year average fair value of investments. For the current fiscal year (2010), the operating budget reflects a spending rate of 6.00% of the three-year average fair value of investments. The table below presents the dollar amounts of annual operating revenues generated by the University's investment spending policy over the last five years.

Operating Revenues Generated by Endowment Spending Policy

Fiscal Year	Total
2004	$65,108,000
2005	62,109,000
2006	65,987,000
2007	77,493,000
2008	93,272,000

Fiscal Year 2009

Since June 30, 2008, significant volatility and decline in world financial markets have impacted all major asset classes in which the University invests (see further discussion of University investments contained under "Investment Performance" below) and has also impacted the valuation of interest rate exchange agreements (see further discussion contained under "Interest Rate Exchange Agreements" below).

The University's audit of its financial statements for the fiscal year ended June 30, 2009 is currently in process. Although the fiscal year 2009 audited financial statements are not yet finalized, management expects that the University ended fiscal year 2009 with an operating budget surplus (as noted above, the internally prepared budget does not include investment gains or losses above the spending rate, depreciation on derivative instruments and post retirement changes other than post retirement benefit costs). Fiscal year 2009 fundraising revenue has been strong – with gifts received in fiscal year 2009 exceeding the prior fiscal year 2008. Other revenue sources, in aggregate, remained relatively stable.

The University is taking into consideration decreased investment returns and the instability of the financial markets when preparing and managing its budget and the University is projecting a balanced budget throughout FY 2010, despite anticipated decreases in investment returns. The University is currently engaged in a long-term budget planning activity with an emphasis on cost reduction.

Capital Budget

As part of the University's annual budgetary and financial planning process, the University's Board approves an annual budget for capital projects. For the three years ended June 30, 2008 budgeted approved capital projects totaled $168.763 million, or an average of approximately $56.25 million per year. The capital projects budget plan for fiscal year 2009 amounted to $80.477 million, a portion of which was funded with proceeds from a prior Series of Bonds. The balance was financed by development program gifts and pledges and surpluses from operations.

Sponsored Grants and Contracts

The University is one of the leading private research institutions in the United States, and significant amounts of its revenues and expenses relate to research performed under grants, contracts and similar agreements with government agencies. Research under government agreements for the year ended June 30, 2008 produced approximately $81.798 million of the University's total revenues. Major government sponsors include centers, divisions and institutes of the Department of Health and Human Services and the National Science Foundation. There can be no assurance that the University will continue to receive government-sponsored research grants and contracts in amounts comparable to those that it has received in the past.

During the past several years, the University has focused considerable effort on increasing private support for its research programs. See "Fund Raising and Development" below. Efforts to secure private support for the University will continue to receive priority attention. Private sponsored research agreements and other private giving for the year ended June 30, 2008 produced approximately $92.843 million of the University's total revenues. There can be no assurance that the University will continue to receive private gifts, grants and contracts in amounts comparable to those that it has received in the past.

Howard Hughes Medical Institute

Under an agreement dated August 12, 1986, the Howard Hughes Medical Institute (the "Institute") conducts programs in medical research in collaboration with the University. The Institute is an independent not-for-profit corporation engaged in medical research in collaboration with universities and teaching hospitals. The agreement provides that the Institute and the University collaborate in the nature of a partnership for the pursuit of medical research, with each of the parties having particular responsibilities for the contribution of monies, property, researchers, and administrative personnel.

The University provides the space, support services, and the research environment and intellectual resources to nurture the research program. The Institute supports all of the direct costs of the operations of specific laboratories and reimburses the University for the use of assigned space. For the year ended June 30, 2008, the Institute directly supported (through Rockefeller University) twelve laboratories in the budgeted aggregate amount of approximately $15.9 million and reimbursed the University in the amount of $3.8 million for the use of space.

Fund Raising and Development

During the five years ended June 30, 2008 total gifts and pledges totaled $548.959 million as shown below. Most pledges are paid over a three to five year period.

Gifts and Pledges

Fiscal Year	Operations, Facilities, Research and Other	Endowment	Total
2004	$ 36,682,000	$10,943,000	$ 47,625,000
2005	149,722,000	13,972,000	163,694,000
2006	80,218,000	27,506,000	107,724,000
2007	118,778,000	18,295,000	137,073,000
2008	82,806,000	10,037,000	92,843,000

Direct Revenues From Sponsored Research

The University derives direct sponsored research revenues from both the federal and state governments and non-federal sources (private corporations, foundations, and voluntary health organizations). The table below summarizes direct revenues from sponsored research for each of the last five years.

Direct Revenues From Sponsored Research

Fiscal Year	Government	Non-Government Sources	Total
2004	$55,751,000	$10,456,000	$66,207,000
2005	55,965,000	12,941,000	68,906,000
2006	59,777,000	15,287,000	75,064,000
2007	56,829,000	19,946,000	76,775,000
2008	53,845,000	20,713,000	74,558,000

Applications for sponsored research grants generally request funding for a period not exceeding five years. The application, which includes both scientific protocol and requested budgetary funding, is initiated by the head of the laboratory applying for such grant or a faculty member within such laboratory. The completed application is reviewed by the University's Office of Sponsored Program Administration to insure adherence to the policies of both the funding agency and the University. The final application is forwarded to the funding agency for review and ultimate disposition. If the application is accepted, a notice of grant award is received from the funding agency and the grant is activated.

In the event that a Head of Laboratory at the University elects to retire and leave the University, the laboratory will typically phase out such person's sponsored research activities within three years of the planned retirement date. Alternatively, upon retirement, the Head of Laboratory may remain at the University and continue his or her research program and sponsored research support. The University has a continuing program of faculty renewal and Heads of Laboratory are recruited every year to expand research efforts and to replace faculty who have left the University.

The table below lists the ten University laboratories (out of a total of 74 active laboratories) attracting the most sponsored research revenues during the year ended June 30, 2008 and provides information with respect to each laboratory head and each laboratory's sponsored research.

Direct Revenues From Sponsored Research
Ten Largest Laboratories
Year Ended June 30, 2008

Laboratory	Government Grants and Contracts	Non-Government Sources	Total Sponsored Research	% of University Sponsored Research	Laboratory Head's Years at University	Laboratory Head's Age
Molecular and Cell Neurosciences	$ 6,050,904	$ 2,593,238	$ 8,644,142	12%	25	83
Cellular Physiology and Immunology	1,793,779	4,806,546	6,600,325	9%	38	65
Molecular Biology	2,697,156	1,289,708	3,986,864	5%	26	57
Biology and Addictive Diseases	3,102,352	39,290	3,141,642	4%	39	72
Cellular & Structural Biology	2,827,535	140,614	2,968,149	4%	18	45
Virology & Infectous Disease	2,228,863	687,931	2,916,794	4%	7	55
Molecular Genetics and Immunology	1,523,609	1,306,051	2,829,660	4%	12	57
Molecular Neuro-oncology	681,757	1,171,464	1,853,221	2%	16	51
Mammalian Cell Biology & Development	1,276,177	391,870	1,668,047	2%	6	58
Molecular Immunology	887,477	680,259	1,567,736	2%	19	53
	$23,069,609	$13,106,971	$36,176,580	48%		
Other Laboratories	30,775,743	7,605,689	38,381,432	52%		
Total	$53,845,352	$20,712,660	$74,558,012	100%		

Indirect Cost Recovery

Sponsored research programs and projects are supported by both those costs which are directly charged and those costs that are indirectly accumulated and applied to the research activities on the basis of average cost rates. Direct costs are specifically related to the research work involved. Examples include wages, materials, equipment, and contract services. Indirect costs are also incurred in the accomplishment of sponsored research but lack direct specificity due to practical limits encountered in recording their use. These costs are no less actual or related, but differ from direct costs in that they have been incurred for purposes common to some or all of the specific programs, projects or activities of the University. Examples include utilities, maintenance services, and general management and administrative services such as accounting, purchasing, personnel and library.

Recovery of these actual direct and indirect costs from sponsors is necessary for the operation of the University. Without reimbursement for indirect costs, sponsored programs and research at the University would require additional internal support of indirect services, to the detriment of other programs and functions.

The federal government, through its Office of Management and Budget, has recognized the real impact of indirect costs, and has described, defined, and codified indirect cost reimbursement recovery principles and procedures within its Circular A-21: "Cost Principles for Educational Institutions."

An indirect cost analysis is generally developed by the University at the end of each fiscal year, which accounts for the actual direct and indirect costs incurred and calculates the applicable average cost rates experienced during that fiscal year. Generally this indirect cost proposal is submitted to the Department of Health and Human Services for review and approval every three to four years. The University's indirect cost rates have been reviewed and approved through the fiscal year ended June 30, 2010. The University has no reason to believe that revenues from indirect cost recoveries will not be maintained at their current levels. Because of the system utilized by the University and the Department of Health and Human Services for review and approval of indirect costs, the University does not believe that its indirect cost rate for fiscal year 2008 and prior years can be reevaluated. However, if the rates were to be reexamined, the University does not believe it would lose any moneys previously received.

Indirect costs reimbursed under research agreements for each of the last five fiscal years ended June 30, 2008 are shown in the table which follows. In the fiscal year ended June 30, 2008, the University's indirect cost recoveries on government agreements totaled $27.953 million. Some private foundations and other agencies also allow indirect costs as part of the sponsored program contract or grant, and in the fiscal year ended June 30, 2008 non-federal sources provided $2.943 million in indirect cost recoveries.

Indirect Cost Recovery

Fiscal Year	Government	Non-Government Sources	Total
2004	$27,031,000	$2,394,000	$29,425,000
2005	30,088,000	1,704,000	31,792,000
2006	32,027,000	1,976,000	34,003,000
2007	30,229,000	3,656,000	33,885,000
2008	27,953,000	2,943,000	30,896,000

Investment Performance

The table below summarizes the fair values and total return of the University's investments for each of the last five years ended June 30, 2008:

Investments

Fiscal Year	Fair Values at June 30	Investment Income (Net of Expenses)	Realized and Unrealized Gains (Losses)	Endowment Return*
2004	$1,453,806,000	$4,791,000	$157,761,000	13.3%
2005	1,620,801,000	2,777,000	216,403,000	15.6
2006	1,884,876,000	5,395,000	266,626,000	16.5
2007	2,253,067,000	5,621,000	421,895,000	23.2
2008	2,137,420,000	6,998,000	(66,311,000)	(2.5)

The fair value of investments are determined based on quoted market prices or estimated fair values provided by external managers and general partners in the case of limited partnership and limited liability corporation investments.

The University's invested funds, including cash and cash equivalents, had a fair value of approximately $2.1 billion as of June 30, 2008, held primarily in the University's Endowment Investment Pool. The Pool is made up of approximately 179 individual accounts that are invested jointly, but accounted for separately to assure compliance with donor restrictions.

Since June 30, 2008, significant volatility and decline in world financial markets have impacted all major asset classes in which the University invests. As of June 30, 2009, the estimated fair value of the Pool had declined by approximately 24% from June 30, 2008. This estimate is unaudited and does not reflect updated valuations for certain investments for which values are generally available only on a quarterly basis and then with a lag of several months following the end of each quarter. The portion of the Pool for which valuations have yet to be updated has generally represented approximately 25%-30% of the total fair value of the Pool. The fair value of these investments may have declined since they were last valued on March 31, 2009. The overall Pool estimate is further subject to the continuing effects of volatility, limited liquidity and pricing issues in certain markets.

The Investment Committee of the Board is responsible for overseeing the investment of the University's endowment. With the support of the University's Office of Investments, the Committee is responsible for establishing investment policy and asset allocation; retaining and overseeing external investment managers; and monitoring the implementation and performance of the investment program.

The Investment Committee has established a long-term asset allocation policy that allocates 25% to public equities, 25% to long/short funds, 15-20% to private investments, 8-12% to real assets, 12.5% to low volatility funds and 10% to fixed income investments. See note 2 of the notes to the financial statements of the University included as Appendix B hereto for further information.

Indebtedness

At June 30, 2008, the outstanding principal amount of long-term debt of the University was $383,391,007, including bond discounts. Subsequent to June 30, 2008, the University borrowed an additional $259,295,000 from the Authority, as further described below, a portion of which was used to redeem a portion of outstanding Authority bonds. The University also made all scheduled principal payments under outstanding loan agreements with the Authority. All of the indebtedness constitutes a general obligation of the University and is secured as described below. The indebtedness matures on various dates through 2040.

Authority Indebtedness

The University has entered into loans with the Authority financed through the issuance of revenue bonds by the Authority. Various agreements between the University and the Authority entered into in connection with such loans, obligate the University to make payments in amounts and at times sufficient to make timely payment of principal and interest on the bonds issued to finance the loans. At June 30, 2008, the aggregate amount of the University's indebtedness to the Authority was $383,391,007, including unamortized bond discounts. The following summarizes the loans comprising this indebtedness to the Authority.

1. In connection with the issuance of the Series 1998 Bonds, the University borrowed $102,015,000 from the Authority. The proceeds of Series 1998 Bonds were used to finance various construction and renovation projects throughout the University's campus and to refinance certain indebtedness incurred by the University. As security for the payment of principal and interest on the Series 1998 Bonds, the University granted the Authority a security interest in the University's indirect cost recovery revenues from research grants. The maximum amount of such revenues subject to this security interest is the maximum annual debt service on the outstanding Series 1998 Bonds. In addition, the University is required to maintain a debt service reserve fund in an amount equal to the maximum annual debt service on the Series 1998 Bonds. At June 30, 2008, the outstanding principal balance of the loan was $88,470,000, exclusive of bond discounts. A portion of the proceeds from the Series 2009A Bonds were used to refund certain maturities of the Series 1998 Bonds.

2. In connection with the issuance of the Series 1998A Bonds, the University borrowed $46,500,000 from the Authority. The proceeds from the Series 1998A Bonds were used to provide payment of the Authority's The Rockefeller University Revenue Bonds, Series 1987, which were repaid on July 1, 1998. As security for the payment of principal and interest on the Series 1998A Bonds, the University granted the Authority a security interest in the University's indirect cost recovery revenues from research grants. The maximum amount of such

revenues subject to this security interest is the maximum annual debt service on the outstanding Series 1998A Bonds. In addition, the University is required to maintain a debt service reserve fund in an amount equal to the maximum annual debt service on the Series 1998A Bonds. At June 30, 2008, the outstanding principal balance of the loan was $24,300,000, exclusive of bond discounts.

3. In connection with the issuance of the Series 2002A1 and Series 2002A2, the University borrowed $105,000,000 from the Authority. The proceeds of Series 2002A1 and 2002A2 Bonds were used to finance various construction and renovation projects throughout the University's campus. At June 30, 2008, the outstanding principal balance of the loan was $105,000,000.

4. In connection with the issuance of the Series 2005A Bonds, the University borrowed $65,000,000 from the Authority. The proceeds of Series 2005A Bonds were used to finance various construction and renovation projects throughout the University's campus. At June 30, 2008, the outstanding principal balance of the loan was $64,500,000.

5. In connection with the issuance of the Series 2008A Bonds, the University borrowed $103,215,000 from the Authority. The proceeds of Series 2008A Bonds were used to finance various construction and renovation projects in connection with the Collaborative Research Center and other construction and renovation projects throughout the University's campus. At June 30, 2008, the outstanding principal balance of the loan was $103,215,000.

6. In connection with the issuance of Series 2009A Bonds, the University borrowed $59,295,000 from the Authority. The proceeds of the Series 2009A Bonds were used to current refund certain maturities of the Authority's Series 1998 Bonds.

7. In connection with the issuance of the Series 2009B Bonds, the University borrowed $100,000,000 from the Authority. The proceeds of Series 2009B Bonds were used to finance various construction and renovation projects throughout the University's campus.

8. In connection with the issuance of the Series 2009C Bonds, the University borrowed $100,000,000 from the Authority. The proceeds of Series 2009C Bonds are being used to finance various construction and renovation projects throughout the University's campus.

The University continues in the ordinary course of business to consider additional borrowings in support of its programs and the research, educational, capital and other needs of the University.

Liquidity

The Series 1998A Bonds, the Series 2002A2 Bonds, the Series 2005A Bonds, the Series 2008A Bonds and the Series 2009B Bonds bear interest at variable rates and are subject to optional and mandatory tender. The University has entered into agreements with remarketing agents pursuant to which the remarketing agents are obligated to use their best efforts to remarket any bonds so tendered. The University is obligated to purchase any bonds that are tendered but not remarketed. In connection with the Series 2009B Bonds, the University arranged for a standby bond purchase agreement to be provided by a bank, pursuant to which the bank will purchase any Series 2009B Bonds that are tendered and not remarketed and the University will only be obligated to purchase such bonds if the bank does not purchase them. As described in this Reoffering Circular, the University has also arranged for standby bond purchase agreements to be provided by JPMorgan Chase Bank, N.A., pursuant to which the Bank will purchase any Series 2002A2 Bonds or Series 2005A Bonds that are tendered and not remarketed and the University will only be obligated to purchase such Bonds if the Bank does not purchase them. If the University is obligated to purchase any Series 1998A Bonds, Series 2002A2 Bonds, Series 2005A Bonds, Series 2008A Bonds or Series 2009B Bonds, it expects that it would use any available funds, including the proceeds of the sale of investments held in its portfolio. In addition, the University has arranged for a bank revolving credit facility with an available commitment amount of $124 million which may be used by the University, in its discretion, solely to pay the purchase price of Tendered Bonds. The University is not obligated to maintain such standby bond purchase agreements or such revolving credit facility.

Line of Credit

The University has entered into a separate revolving line of credit with a bank, pursuant to which the University may borrow up to $150,000,000 outstanding at any time for any corporate or capital purpose. The University has periodically drawn on such line of credit.

See note 3 of the notes to the financial statements of the University included in Appendix B for further information.

Interest Rate Exchange Agreements

As of June 30, 2009, the University had entered into six interest rate exchange agreements with a current aggregate notional amount of $424,300,000. Pursuant to each agreement, the University is obligated to pay the applicable swap counterparty amounts based on a fixed interest rate and is to receive payment from the swap counterparty based on variable interest rates. Under certain circumstances the University may be required to post collateral to secure its obligations under the interest rate exchange agreements. In addition, each agreement may be terminated following the occurrence of certain events, at which time the University may be required to make a termination payment to the swap counterparty. The University's swap counterparties include: Morgan Stanley Capital Services, Inc. ($200 million aggregate notional amount); Bank of New York ($200 million aggregate notional amount); and American International Group ($24.3 million notional amount). As of June 30, 2009, the cost of terminating all six interest rate agreements was $87.6 million (unaudited).

Insurance

The University currently carries property insurance under a blanket all-risk policy in the amount of $750,000,000 on its buildings and their contents, based on full replacement value. The University self-insures the first $500,000 of each loss.

The University's comprehensive general liability insurance coverage has a single limit for bodily injury and property damage of $1,000,000 per occurrence with a $3,000,000 aggregate limit per annual policy period. This insurance is provided through commercial insurance companies.

University physicians and other medical staff of the Hospital are insured against claims of medical malpractice under an annual umbrella policy. The University is self-insured for $2,000,000 per claim and $4,000,000 in the aggregate per annual period for all claims against all insureds. Umbrella insurance policies in the amount of $35,000,000 are provided through commercial insurance companies.

In addition, the University carries umbrella policies providing excess coverage of $50,000,000 per annual policy period over the above-described limits.

Pension Plans

The University provides retirement benefits for full-time faculty, officers and supporting staff employees under a non-contributory defined contribution plan by making direct payments to Teachers Insurance Annuity Association-College Retirement Equities Fund (TIAA-CREF). Pension costs under this plan amounted to $6,816,000 for the fiscal year ended June 30, 2008. In addition to providing pension benefits, the University provides certain health care and life insurance benefits for retired faculty and administrative employees who meet certain age and length-of-service requirements upon retirement. See note 6 of the notes to the financial statements of the University included in Appendix B for further information.

Health and Safety

Certain hazardous materials are used at the University in scientific research. The University has a Safety Office which oversees the handling and disposal of such materials, as well as the University's general health and safety programs. It is the University's policy to comply with all federal, state and local health and safety laws and regulations and in the absence thereof, to use the standards of nationally recognized professional health and safety organizations as safety guidelines.

Financial Advisor

Prager, Sealy & Co., LLC has acted as financial advisor to the University on matters relating to the Reoffered Bonds.

LITIGATION

The University is a defendant in various legal actions arising out of the normal course of its operations. Although the outcome of any such claims or actions cannot be currently determined, the University is of the opinion that the eventual liability therefrom, if any, will not have a material effect on the financial position of the University or its ability to make required debt service payments.

PART 5 - 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 June 30, 2009, the Authority had approximately $38.6 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 June 30, 2009 were as follows:

Public Programs	Bonds Issued	Bonds Outstanding	Notes Outstanding	Bonds and Notes Outstanding
State University of New York Dormitory Facilities	$ 2,250,196,000	$ 974,760,000	$ 0	$ 974,760,000
State University of New York Educational and Athletic Facilities	12,287,697,999	5,146,033,149	0	5,146,033,149
Upstate Community Colleges of the State University of New York	1,431,000,000	604,840,000	0	604,840,000
Senior Colleges of the City University of New York	9,663,821,762	2,934,864,213	0	2,934,864,213
Community Colleges of the City University of New York	2,364,178,350	508,140,787	0	508,140,787
BOCES and School Districts	2,419,101,208	1,894,490,000	0	1,894,490,000
Judicial Facilities	2,161,277,717	731,557,717	0	731,557,717
New York State Departments of Health and Education and Other	5,198,240,000	3,538,100,000	0	3,538,100,000
Mental Health Services Facilities	6,811,595,000	3,676,845,000	0	3,676,845,000
New York State Taxable Pension Bonds	773,475,000	0	0	0
Municipal Health Facilities Improvement Program	985,555,000	781,415,000	0	781,415,000
Totals Public Programs	$ 46,346,138,036	$ 20,791,045,866	$ 0	$ 20,791,045,866

Non-Public Programs	Bonds Issued	Bonds Outstanding	Notes Outstanding	Bonds and Notes Outstanding
Independent Colleges, Universities and Other Institutions	$ 17,477,266,020	$ 8,830,846,644	$ 35,975,000	$ 8,866,821,644
Voluntary Non-Profit Hospitals	13,541,719,309	7,933,610,000	0	7,933,610,000
Facilities for the Aged	1,996,020,000	966,245,000	0	966,245,000
Supplemental Higher Education Loan Financing Program	95,000,000	0	0	0
Totals Non-Public Programs	$ 33,110,005,329	$ 17,730,701,644	$ 35,975,000	$ 17,766,676,644
Grand Totals Bonds and Notes	$ 79,456,143,365	$ 38,521,747,510	$ 35,975,000	$ 38,557,722,510

Outstanding Indebtedness of the Agency Assumed by the Authority

At June 30, 2009, the Agency had approximately $361.5 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 June 30, 2009 were as follows:

Public Programs	Bonds Issued	Bonds Outstanding
Mental Health Services Improvement Facilities	$ 3,817,230,725	$ 0
Non-Public Programs	**Bonds Issued**	**Bonds Outstanding**
Hospital and Nursing Home Project Bond Program	$ 226,230,000	$ 3,255,000
Insured Mortgage Programs	6,625,079,927	350,549,720
Revenue Bonds, Secured Loan and Other Programs	2,414,240,000	7,670,000
Total Non-Public Programs	$ 9,265,549,927	$ 361,474,720
Total MCFFA Outstanding Debt	$ 13,082,780,652	$ 361,474,720

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., Esquire, *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.

CAROLE F. HUXLEY, *Interim Commissioner of Education of the State of New York,* Albany; *ex-officio.*

Carole Huxley was appointed Interim Education Commissioner on July 1, 2009. Ms. Huxley retired in November 2006 after serving for 24 years as Deputy Commissioner for Cultural Education in the New York State Education Department where she was responsible for the New York State Archives, State Library, State Museum and aid to libraries, records repositories and public broadcasting statewide. She came to New York from the National Endowment for Humanities in Washington, DC where she was Director of the Division of Special Programs. Prior to this, Ms. Huxley was with the American Field Service (AFS International) in New York City. She began her career in education teaching high school English in Woodbury, Connecticut. Ms. Huxley holds a Masters of Arts in Teaching from Harvard University and a Bachelor of Arts degree from Mount Holyoke College.

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.

JOHN G. PASICZNYK is the Chief Financial Officer of the Authority. Mr. Pasicznyk is responsible for investment management and accounting, as well as the development of the financial policies for the Authority. Before joining the Authority in 1985, Mr. Pasicznyk worked in audit positions at KPMG Peat Marwick and Deloitte & Touche. He holds a Bachelor’s degree from Syracuse University and a Master of Business Administration degree from the Fuqua School of Business at Duke University.

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 obtained the approval of the PACB for the original issuance of the Reoffered 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 6 - LEGALITY OF THE REOFFERED BONDS FOR INVESTMENT AND DEPOSIT

Under New York State law, the Reoffered 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 Reoffered Bonds may be deposited with the State Comptroller to secure deposits of State moneys in banks, trust companies and industrial bank

PART 7 - NEGOTIABLE INSTRUMENTS

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

PART 8 - TAX MATTERS

Federal Income Taxes

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met subsequent to the issuance and delivery of each of the Reoffered Bonds for interest thereon to be and remain excluded from gross income for Federal income tax purposes. Noncompliance with such requirements could cause the interest on the Reoffered Bonds to be included in gross income for Federal income tax purposes retroactive to the date of issue of the respective issue of Reoffered Bonds. Pursuant to the Resolution and the Loan Agreement, the Authority and the University have covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on each of the Reoffered Bonds from gross income for Federal income tax purposes pursuant to Section 103 of the Code. In addition, the Authority and the University have made certain representations and certifications in a Tax Certificate as to Arbitrage and the Provisions of Sections 141-150 of the Internal Revenue Code of 1986 for each of the Reoffered Bonds. In connection with the original issuance and delivery of each of the Reoffered Bonds, Bond Counsel also relied on the opinion of Counsel to the University as to all matters concerning the status of the University as an organization described in Section 501(c)(3) of the Code and exempt from federal income tax under Section 501(a) of the Code. Bond Counsel has not independently verified the accuracy of those certifications and representations or those opinions.

On the date of original issuance and delivery of each of the Reoffered Bonds, Nixon Peabody LLP, Bond Counsel, delivered its opinion that under existing law and assuming compliance with the aforementioned covenant, and the accuracy of certain representations and certifications made by the Authority and the University described above, interest on such Reoffered Bonds is excluded from gross income for Federal income tax purposes under Section 103 of the Code. In that opinion, Bond Counsel also opined that interest on each of the Reoffered Bonds is not treated as a preference item in calculating the alternative minimum tax imposed under the Code with respect to individuals and corporations, but indicated that such interest is included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax imposed on such corporations. **These opinions have not been updated or reissued in connection with the remarketing of the Reoffered Bonds.**

State Taxes

On the date of original issuance and delivery of each of the Reoffered Bonds, Bond Counsel delivered its opinion that, under existing statutes, interest on the particular issue of Reoffered Bonds is exempt from personal income taxes imposed by the State and any political subdivision thereof, including The City of New York. **These opinions have not been updated or reissued in connection with the remarketing of the Reoffered Bonds.**

Ancillary Tax Matters

Ownership of the Reoffered Bonds may result in other federal tax consequences to certain taxpayers, including, without limitation, certain S corporations, foreign corporations with branches in the United States, property and casualty insurance companies, individuals receiving Social Security or Railroad Retirement benefits, individuals seeking to claim the earned income credit. Ownership of the Reoffered Bonds may also result in other federal tax consequences to taxpayers who may be deemed to have incurred or continued indebtedness to purchase or to carry the Reoffered Bonds; for certain bonds issued during 2009 and 2010, the American Recovery and Reinvestment Act of 2009 modifies the application of those rules as they apply to financial institutions. Prospective investors are advised to consult their own tax advisors regarding these rules.

Commencing with interest paid in 2006, interest paid on tax-exempt obligations such as the Reoffered Bonds is subject to information reporting to the Internal Revenue Service (the "IRS") in a manner similar to interest paid on taxable obligations. In addition, interest on the Reoffered Bonds may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner's taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

Bond Counsel is not rendering any opinion as to any Federal tax matters in connection with the remarketing of the Reoffered Bonds, nor is it updating or reissuing its original approving opinions with respect to each of the Reoffered Bonds. Prospective investors, particularly those who may be subject to special rules described above, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Reoffered Bonds, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

Changes in Federal Tax Law and Post Issuance Events

Legislative or administrative actions and court decisions, at either the Federal or state level, could have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Reoffered Bonds for Federal or state income tax purposes, and thus on the value or marketability of the Reoffered Bonds. This could result from changes to Federal or state income tax rates, changes in the structure of Federal or state income taxes (including replacement with another type of tax), repeal of the exclusion of the interest on the Reoffered Bonds from gross income for Federal or state income tax purposes, or otherwise. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the Federal or state income tax treatment of holders of the Reoffered Bonds may occur. Prospective purchasers of the Reoffered Bonds should consult their own tax advisers regarding such matters.

Except as described herein, Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance and delivery of each of the Reoffered Bonds may affect the tax status of interest on such Reoffered Bonds. Bond Counsel expresses no opinion as to any Federal, state or local tax law consequences with respect to each of the Reoffered Bonds, or the interest thereon, if any action is taken with respect to such Reoffered Bonds or the proceeds thereof upon the advice or approval of other counsel.

PART 9 - STATE NOT LIABLE ON THE REOFFERED 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 Reoffered Bonds are not a debt of the State and that the State is not liable on the Reoffered Bonds.

PART 10 - 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 11 - LEGAL MATTERS

Certain legal matters incidental to the authorization and issuance of the Reoffered Bonds by the Authority were subject to the approval of Nixon Peabody LLP, New York, New York, Bond Counsel, whose approving opinion was delivered on January 30, 2002 in connection with the initial issuance of the Series 2002A2 Bonds, and whose approving opinion was delivered on June 2, 2005 in connection with the initial issuance of the Series 2005A Bonds. Copies of the opinions delivered by Bond Counsel are set forth in Appendix E hereto.

Nixon Peabody LLP will, as a condition to the reoffering of each Series of the Reoffered Bonds, delivery its opinion to the effect that the reoffering will not cause interest on the Reoffered Bonds to be included in gross income of the owners of such Bonds for purposes of Federal Income taxation.

There is not now pending any litigation restraining or enjoining the reoffering of the Reoffered Bonds or questioning or affecting the validity of the Reoffered Bonds or the proceedings and authority under which they were issued or are to be reoffered.

PART 12 - CONTINUING DISCLOSURE

In connection with the original issuance of each Series of the Reoffered Bonds, in order to assist the underwriter for each Series of Reoffered Bonds in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission ("Rule 15c2-12"), the University undertook in a written 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 of the University 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 4 — THE UNIVERSITY" of this Reoffering Circular (the "Annual Information"), together with the University's annual financial statements prepared in accordance with U.S. generally accepted accounting principles and audited by an independent firm of certified public accountants in accordance with generally accepted auditing standards; 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 University, DAC has undertaken in the Continuing Disclosure Agreement, on behalf of and as agent for the University 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 University, with the MSRB.

The Annual Information will consist of the following: (a) operating data and financial information of the type included in this Reoffering Circular in "PART 4 - THE UNIVERSITY" under the headings "OPERATING INFORMATION" and "ANNUAL FINANCIAL STATEMENT INFORMATION" relating to: (1) *University staff* information of the type set forth under the subheading "University Staff;" (2) *student admissions* information of the type set forth under the subheading "Student Admissions;" (3) *University plant assets*, unless such information is included in the audited financial statements of the University; (4) *fund raising and development*, similar to that set forth under the heading "Gifts and Pledges," unless such information is included in the audited financial statements of the University; (5) *direct revenue* similar to that set forth under the heading "Direct Revenues From Sponsored Research," and "Direct Revenues From Sponsored Research - Ten Largest Laboratories," unless such information is included in the audited financial statements of the University; (6) *indirect cost recovery*, similar to that set forth under the heading "Indirect Cost Recovery," unless such information is included in the audited financial statements of the University; (7) *investment performance*, similar to that set forth under the heading "Investments," unless such information is included in the audited financial statements of the University; and (8) *outstanding long-term indebtedness*, unless such information is included in the audited financial statements of the University; 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 University and in judging the financial and operating condition of the University.

In addition, the Authority undertook, for the benefit of the Bondholders, to provide to DAC, in a timely manner, the notices required to be provided by Rule 15c2-12 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 they have actual knowledge of the occurrence of a Notice Event (as hereinafter defined). Upon receipt of Notices from the Authority, DAC will file the Notices with the MSRB in a timely manner in a timely manner. With respect to the Reoffered 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 University 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 University or the Authority and shall not be deemed to be acting in any fiduciary capacity for the Authority, the University, the Holders of the Reoffered Bonds or any other party. DAC has no responsibility for the Authority's failure 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 University, the Trustee or the Authority has complied with the Continuing Disclosure Agreement and DAC may conclusively rely upon certifications of the University, 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 Notices include notices of any of the following events with respect to the Reoffered 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 Reoffered Bonds; (7) modifications to the rights of holders of the Reoffered Bonds; (8) bond calls (other than pursuant to mandatory sinking fund redemption requirements); (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Reoffered Bonds; and (11) rating changes. In addition, DAC will undertake, for the benefit of the Holders of the Reoffered Bonds, to provide to the MSRB in a timely manner, notice of any failure by the University to provide the Annual Information and annual financial statements by the date required in the University's undertaking described above.

The sole and exclusive remedy for breach or default under the agreement to provide continuing disclosure described above is an action to compel specific performance of the undertaking of DAC, the University and/or the Authority, and no person, including any Holder of the Reoffered Bonds, may recover monetary damages thereunder under any circumstances. A breach or default under the agreement shall not constitute an Event of Default under the Resolution, the Series Resolutions 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 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 because the operations to which it related have been materially changed or discontinued, a statement to that effect will be provided. As a result, the parties to the Continuing Disclosure Agreement do not anticipate that it often will be necessary to amend the informational undertaking. The Continuing Disclosure Agreement, however, may be amended or modified without Bondholders consent under certain circumstances set forth therein. Copies of the Continuing Disclosure Agreement are on file at the principal office of the Authority.

PART 13 — RATINGS

Moody's Investors Service ("Moody's") has assigned a rating of "Aa1" to the Reoffered Bonds. Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc. ("Standard & Poor's") has assigned a rating of "AAA" to the Reoffered Bonds. Moody's is expected to assign a short-term credit rating of "VMIG1" to the Reoffered Bonds and Standard & Poor's is expected to assign a short-term rating of "A1+" to the Reoffered Bonds. Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agencies at the following addresses: Standard & Poor's, 55 Water Street, New York, New York 10041; and Moody's, 99 Church Street, New York, New York 10007. There is no assurance that such ratings will prevail for any given period of time or that they will not be revised downward or withdrawn entirely by any or all of such rating agencies if, in the judgment of any or all of them, circumstances so warrant. Any such downward revision or withdrawal of such rating or ratings may have an adverse effect on the market price of the Reoffered Bonds.

PART 14 - MISCELLANEOUS

References in this Reoffering Circular to the Act, the Resolution, the Bond Series Certificate, the Loan Agreement and the Continuing Disclosure Agreement do not purport to be complete. Refer to the Act, the Resolution, the Bond Series Certificate, the Loan Agreement and the Continuing Disclosure Agreement for full and complete details of their provisions. Copies of the Resolution, the Bond Series Certificate, the Loan Agreement and the Continuing Disclosure Agreement are on file with the Authority and the Trustee.

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

Any statements in this Reoffering Circular 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 University and Principal and Interest Requirements was supplied by the University. 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.

"Appendix A - Definitions," "Appendix C - Summary of Certain Provisions of the Loan Agreement," "Appendix D - Summary of Certain Provisions of the Resolution" and "Appendix E - Approving Opinions of Bond Counsel" have been prepared by Nixon Peabody LLP, New York, New York, Bond Counsel.

"Appendix B - Financial Statements of the Rockefeller University (with Independent Auditors' Report thereon)" contains the audited financial statements of the University as of and for the year ended June 30, 2008, and the report of the University's independent auditors, KPMG LLP, on such financial statements.

The University has reviewed the parts of this Reoffering Circular describing the University, Principal and Interest Requirements and Appendix B. It is a condition to the delivery of the Reoffered Bonds that the University certify to the Remarketing Agent and the Authority that, as of the date of this Reoffering Circular and the date of delivery of the Reoffered Bonds, such parts do not contain any untrue statement of a material fact and do not omit any material fact necessary to make the statements made therein, in the light of the circumstances under which the statements are made, not misleading.

The University has agreed to indemnify the Authority 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 Reoffering Circular 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

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CERTAIN DEFINITIONS

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DEFINITIONS

The following are definitions of certain terms 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 thirty-day months, and (2) the difference between the Accreted Values for such Valuation Dates.

Act means the Dormitory Authority Act (being Chapter 524 of the Laws of 1944 of the State, as amended, and constituting Title 4 and Title 4-B of Article 8 of the Public Authorities Law of the State, as amended).

Annual Administrative Fee means the fee payable during each Bond Year for the general administrative and supervisory expenses of the Authority.

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 such 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 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 succeeds to the rights, powers, duties and functions of the Authority.

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

Authorized Denominations means (i) during any Daily Rate Period, any Commercial Paper Rate Period, or any Weekly Rate Period, $100,000 or any integral multiple of $1,000 in excess thereof or (ii) during any Term Rate Period or the Fixed Rate Period, $5,000 or any integral multiple thereof.

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 days (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, an Assistant Treasurer, the Secretary, an Assistant Secretary, the Executive Director, the Deputy Executive Director, the Chief Financial Officer, the Managing Director of Public Finance, the Managing Director of Construction, the Managing Director of Policy and Program Development, 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 University when used with reference to any act or document, the person or persons authorized by a resolution or the by-laws of the University 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, 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 such Trustee or the by-laws of such Trustee.

Bank Bond means any Reoffered Bond during the period from and including the date it is purchased or paid for by a Provider pursuant to a Credit Facility or Liquidity Facility to, but excluding, the earliest of (i) the date on which the principal, Redemption Price or Purchase Price of such Reoffered Bond, together with all interest accrued thereon, is paid with amounts other than amounts drawn under the Liquidity Facility, (ii) the date on which the registered owner of a Reoffered Bond has given written notice of its determination not to sell such Reoffered Bond following receipt of a purchase notice from the Remarketing Agent with respect to such Reoffered Bond, or, if notice of such determination is not given on or before the Business Day next succeeding the day such purchase notice is received, the second Business Day succeeding receipt of such purchase notice or (iii) the date on which such Reoffered Bond is to be purchased pursuant to an agreement by the registered owner of such Reoffered Bond to sell such Reoffered Bond following receipt of a purchase notice from the Remarketing Agent with respect to such Reoffered Bond, if the Trustee then holds, in trust for the benefit of such registered owner, sufficient money to pay the Purchase Price of such Reoffered Bond, together with the interest accrued thereon to the date of purchase.

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 Nixon Peabody LLP or an attorney or a 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 consecutive months beginning July 1 in any calendar year and ending on June 30 of the succeeding calendar year.

Bondholder or *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 when used in connection with any particular Reoffered Bond means a day other than (i) a Saturday and Sunday or a (ii) a day on which any of the following are authorized or required to remain closed: (A) banks or trust companies chartered by the State of New York or the United States of America, (B) the Trustee, (C) the New York Stock Exchange, or (D) if such Reoffered Bonds are in the Commercial Paper Mode, the Daily Rate Mode, the Weekly Rate Mode or the Term Rate Mode, the Tender Agent, the Remarketing Agent or the Provider of a Liquidity Facility for such Reoffered Bond.

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

Certificate of Determination means a certificate of an Authorized Officer of the Authority executed upon the Conversion of Reoffered Bonds out of a Rate Mode to an Initial Rate Period, if necessary, prior to the Conversion of Reoffered Bonds to a Daily Rate Mode, Weekly Rate Mode or Commercial Paper Mode, setting forth the Initial Rate, the Initial Rate Period, the first Interest Payment Date if other than a date on which interest would otherwise be payable under the Resolution.

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

Commercial Paper Mode means a Rate Mode in which a Reoffered Bond for its respective Commercial Paper Rate Period bears interest at a Commercial Paper Rate.

Commercial Paper Rate means, with respect to each Reoffered Bond in the Commercial Paper Mode, the rate at which each such Reoffered Bonds bears interest during the Commercial Paper Rate Period applicable thereto, as established in accordance with the Bond Series Certificate relating to the Reoffered Bonds.

Commercial Paper Rate Period means, with respect to a particular Reoffered Bond, a period commencing on a Conversion Date or a Reset Date and extending for a period of one to two hundred seventy days (1 to 270 days) during which such Reoffered Bond bears interest at a Commercial Paper Rate; *provided, however,* that the first day immediately following the last day of each Commercial Paper Rate Period shall in all events be a Business Day;

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 University 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.

Conversion Date means the day on which the interest rate on a Reoffered Bond is converted from one Rate Mode to a different Rate Mode or was proposed to be converted from one Rate Mode to another Rate Mode, which date must be a Reset Date or an Interest Payment Date for such Reoffered Bond.

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 expense 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 of refunding 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 a 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 University 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 University 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 moneys borrowed from parties other than the University), (viii) interest on the Bonds 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 issued or extended by 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 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 saving and loan association, an insurance company or association chartered or organized under the laws of any state of the United States of America, 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, pursuant to which the Authority is entitled to obtain money to pay the principal of Reoffered Bonds due at maturity in accordance with their terms or to pay the Redemption Price of Reoffered Bonds called or tendered for redemption in accordance with their terms, in each case, plus accrued interest thereon to the date of payment thereof. A Credit Facility may also constitute a Liquidity Facility if it also provides for the payment by the Provider of money for the payment of the Purchase Price of Reoffered Bonds upon their tender for purchase in accordance therewith.

Daily Rate means the rate at which a Reoffered Bond in the Daily Rate Mode bears interest, as established in accordance with the Bond Series Certificate relating to the Reoffered Bonds.

Daily Rate Mode means a Rate Mode in which a Reoffered Bond in such Rate Mode bears interest at a Daily Rate.

Daily Rate Period means a period commencing on a Conversion Date or on a Business Day and extending to, but not including, the next succeeding Business Day, during which Reoffered Bonds in the Daily Rate Mode bear interest at the Daily Rate.

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

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 during 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 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 wholly comprised of any of the foregoing obligations.

Federal Agency Obligation means (i) an obligation issued by any federal agency or instrumentality approved by the Authority, (ii) an obligation the principal of and interest on which are fully insured or guaranteed as to payment by a federal agency approved by the Authority, (iii) 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 (iv) a share or interest in a mutual fund, partnership or other fund wholly comprised of any of the foregoing obligations.

Fixed Rate means the rate at which a Reoffered Bond bears interest to its maturity during the Fixed Rate Period, as established in accordance with the Bond Series Certificate.

Fixed Rate Mode means a Rate Mode in which a Reoffered Bond in such Rate Mode bears interest at a Fixed Rate.

Fixed Rate Period means the period from and including the Conversion Date and extending (i) to and including the date of maturity of a Reoffered Bonds in the Fixed Rate Mode or (ii) to, but not including, the Conversion Date on which Reoffered Bonds in the Fixed Rate Mode are converted another Rate Mode.

Government Obligation means (i) a direct obligation of the United States of America, (ii) an obligation the principal of and interest on which are 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 wholly comprised of any of the foregoing obligations.

Initial Rate when used in connection with any particular Reoffered Bond means the rate per annum at which such Reoffered Bond will bear interest during the Initial Rate Period, as set forth in the Bond Series Certificate and, when used in connection with a Conversion, the respective rates per annum set forth in a Certificate of Determination.

Initial Rate Period (i) when used in connection with any particular Reoffered Bonds, means the period commencing on the date of issuance and extending to and including the date set forth in the Bond Series Certificate relating to the Reoffered Bonds as the last day of the Initial Rate Period, and (ii) when used in connection with a Conversion, the period commencing on the Conversion Date and extending to and including the date set forth in the Certificate of Determination as the last day of such Initial Rate Period.

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 in 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 University 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 University 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 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 an agreement for the investment of moneys with a Qualified Financial Institution.

Liquidity Facility means an irrevocable letter of credit, surety bond, loan agreement, Standby Purchase Agreement, line of credit or other agreement or arrangement issued or extended by 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 and loan association, an insurance company or association chartered or organized under the laws of any state of the United States of America, 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, pursuant to which moneys may be obtained upon the terms and conditions contained therein for the purchase or redemption of Bonds tendered for purchase or redemption in accordance with the terms of the Resolution and of the Series Resolution authorizing such Bonds or a Bond Series Certificate relating to such Bonds.

Loan Agreement means the Loan Agreement, dated as of October 31, 2001, executed by and between the Authority and the University, in connection with the issuance of the Bonds, as the same shall be 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 university operations, acceptable to the Authority.

Mandatory Tender Date means any date on which a Reoffered Bond is required to be purchased in accordance with the Bond Series Certificate relating to the Reoffered Bonds.

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 in the Bond Series Certificate relating to such Bond, that shall be the maximum rate at which such Bond may bear interest at any time.

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 or 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.

Optional Tender Date means any Business Day during a Daily Rate Period or a Weekly Rate Period.

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 Obligations, (ii) Federal Agency Obligations described in clauses (i) or (ii) of the definition of Federal Agency Obligations, (iii) commercial paper that (a) matures within two hundred seventy (270) after its day 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 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, the Loan Agreement or pursuant to the Series Resolution authorizing the issuance of Bonds in connection with such Project.

Provider means generally, the issuer of a Credit Facility or a Liquidity Facility.

Purchase Price means: (i) when used in relation to a Tendered Bond, other than a Reoffered Bond mandatorily tendered upon a Conversion from the Fixed Rate Mode or Term Rate Mode, an amount equal to (a) one hundred percent (100%) of the principal amount of such Reoffered Bond tendered or deemed tendered to the Tender Agent for purchase pursuant to the Bond Series Certificate or (b) in the case of Bank Bonds, the amount payable to the registered owner of a Bank Bond following receipt by such owner of a purchase notice from the Remarketing Agent, plus, in each case, accrued and unpaid interest thereon to the date of purchase; and (ii) when used in relation to a Tendered Bond mandatorily tendered pursuant to the Bond Series Certificate upon Conversion from the Fixed Rate Mode or a Term Rate Mode on a date other than a Reset Date, an amount equal to the Redemption Price that would be payable if such Reoffered Bond had been called for redemption on the Conversion Date; plus accrued and unpaid interest thereon to the date of purchase; ***provided, however,*** that, in each case, if the date of purchase is an Interest Payment Date, then the Purchase Price shall not include accrued and unpaid interest, which shall be paid to the Holder of record on the applicable Record Date.

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 made 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 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 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;

(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 made 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 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 moneys held under the Resolution purchased from such corporation, are insured by an insurer that meet the applicable rating requirements set forth above;

Rate means the Initial Rate, any Daily Rate, Commercial Paper Rate, Weekly Rate, Term Rate or the Fixed Rate.

Rate Mode means the Daily Rate Mode, Commercial Paper Mode, Weekly Rate Mode, Term Rate Mode or Fixed Rate Mode.

Rate Period means the Initial Rate, Daily Rate Period, Commercial Paper Rate Period, Weekly Rate Period, Term Rate Period or the Fixed Rate Period.

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

Record Date means, with respect to each Interest Payment Date, (i) during any Daily Rate Period, any Commercial Paper Rate Period or any Weekly Rate Period, the close of business on the Business Day preceding such Interest Payment Date, and (ii) during any Term Rate Period or the Fixed Rate Period, the close of business on the fifteenth (15^{th}) day of the calendar month immediately preceding any calendar month in which there occurs an Interest Payment Date, regardless of whether such day is a Business Day.

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.

Remarketing Agent means the remarketing agent, if any, appointed and serving in such capacity pursuant to the Bond Series Certificate or any successor remarketing agent.

Reset Date means, with respect to a Reoffered Bond in a Daily Rate Mode, a Commercial Paper Mode, a Weekly Rate Mode or a Term Rate Mode, the date on which the interest rate borne by such Reoffered Bond is to be determined in accordance with the provisions of the Bond Series Certificate relating to the Reoffered Bonds.

Resolution means The Rockefeller University Revenue Bond Resolution, adopted by the Authority on October 31, 2001, 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 pursuant to the Loan Agreement, which 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).

Securities means (i) any coin or currency of the United States of America which is legal tender for the payment of public and private debts, (ii) common or preferred stock, notes, bonds and debentures, (iii) interests in unit investment trusts, mutual funds, hedge funds, limited partnerships, limited liability companies acquired as an investment, and (iv) other investment agreements and investment property, that (A) in each case, are traded over-the-counter or on a national stock or other exchange or for which there is an active market for the purchase and sale or (B) in case of Securities described in clauses (iii) and (iv) above, at the option of the University, may be redeemed, put to a Qualified Financial Institution for purchase, or otherwise liquidated not less frequently than once each calendar year.

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, when used with respect to any Bonds of a Series, other than Option Bonds or Variable Rate Bonds, so long as 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 to such Bonds, 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 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 to such Bonds, 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 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 University 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 of the Resolution.

Tax Certificate means a certificate of the Authority including all appendices, schedules and exhibits thereto, executed in connection with a Series of Bonds relating to the arbitrage and the provisions of Section 141 through 150, inclusive, of the Internal Revenue Code of 1986, 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.

Tender Agent means the Trustee, who is appointed as Tender Agent pursuant to the Bond Series Certificate and having the duties, responsibilities and rights provided therein, and its successor or successors and any successor Trustee which may at any time be substituted in its place pursuant thereto.

Tendered Bond means a Reoffered Bond or portion thereof in an Authorized Denomination mandatorily tendered or tendered at the option of the Holder thereof for purchase in accordance with the Bond Series Certificate, including a Reoffered Bond or portion thereof deemed tendered, but not surrendered on the applicable Tender Date.

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

Term Rate means the rate at which a Reoffered Bond bears interest during a Term Rate Period, as established in accordance with the provisions of the Bond Series Certificate.

Term Rate Mode means a Rate Mode designated as such in a Conversion Notice in which a Reoffered Bond bears interest at a Term Rate during a Term Rate Period.

Term Rate Period means a period commencing on the Conversion Date or a Reset Date and extending (i) to and including the next succeeding Reset Date which Reset Date must be a Business Day at least three hundred sixty-five (365) after such Conversion Date or Reset Date.

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.

University means The Rockefeller University, 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.

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 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 a 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; *provided, however*, that such variable interest rate may be subject to a maximum interest rate and may be subject to a minimum interest rate and that there may be an initial rate specified in each case as provided in such Series Resolution or a Bond Series Certificate or (ii) a stated interest rate that may be changed from time to time as provided in the Series Resolution authorizing such Bonds or a Bond Series Certificate; *provided further*, that such 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 note 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 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.

Weekly Rate means the rate at which a Reoffered Bond bears interest during a Weekly Rate Period, as established in accordance with the Bond Series Certificate relating to the Reoffered Bonds.

Weekly Rate Mode means a Rate Mode in which a Reoffered Bond in such Rate Mode bears interest at a Weekly Rate.

Weekly Rate Period means a period commencing on a Conversion Date or the Wednesday of a calendar week and extending to and including the next succeeding Tuesday.

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FINANCIAL STATEMENTS OF THE ROCKEFELLER UNIVERSITY (WITH INDEPENDENT AUDITORS' REPORT THEREON)

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KPMG

KPMG LLP
345 Park Avenue
New York, NY 10154

Independent Auditors' Report

The Board of Trustees
The Rockefeller University:

We have audited the accompanying balance sheet of The Rockefeller University (the University) as of June 30, 2008, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year's summarized comparative information has been derived from the University's 2007 financial statements and, in our report dated October 29, 2007, which included an explanatory paragraph related to the University's adoption of the provisions of Financial Accounting Standards Board Statement No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans*, as of June 30, 2007, we expressed an unqualified opinion on those financial statements.

We conducted our audit 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 University'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 audit provides 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 The Rockefeller University as of June 30, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

KPMG LLP

October 30, 2008

THE ROCKEFELLER UNIVERSITY

Balance Sheet

June 30, 2008
(with comparative financial information as of June 30, 2007)

Assets	2008	2007
Cash and cash equivalents	$ 12,110,377	8,587,652
Short-term investments (notes 1 and 12)	51,295,758	38,470,268
Accounts and accrued interest receivable	15,135,374	16,568,058
Contributions receivable (note 7)	226,763,745	233,668,546
Loans receivable – faculty and staff	20,862,680	17,798,036
Deposits held by bond trustees	78,570,293	29,205,763
Other assets	21,381,658	17,364,214
Investments (notes 2 and 11)	2,137,419,747	2,253,066,707
Plant assets, net (note 5)	506,423,746	474,530,425
Total assets	$ 3,069,963,378	3,089,259,669
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	$ 36,384,699	30,042,114
Deferred revenues	4,062,576	3,677,246
Obligation under derivative instruments (note 4)	46,066,465	17,631,167
Obligation under line of credit (note 3)	40,000,000	35,000,000
Long-term debt (note 4)	383,391,007	286,332,591
Conditional asset retirement obligation	7,567,508	8,005,079
Postretirement benefit obligation (note 6)	29,781,000	31,632,000
Total liabilities	547,253,255	412,320,197
Commitments and contingencies (notes 2 and 10)		
Net assets (note 11):		
Unrestricted	1,789,049,037	1,953,110,651
Temporarily restricted (note 8)	492,859,536	492,578,406
Permanently restricted (note 8)	240,801,550	231,250,415
Total net assets	2,522,710,123	2,676,939,472
Total liabilities and net assets	$ 3,069,963,378	3,089,259,669

See accompanying notes to financial statements.

THE ROCKEFELLER UNIVERSITY

Statement of Activities

Year ended June 30, 2008
(with summarized financial information for the year ended June 30, 2007)

	2008				
	Unrestricted	**Temporarily restricted**	**Permanently restricted**	**Total**	**2007 total**
Revenues:					
Government grants and contracts	$ 81,797,852	—	—	81,797,852	87,057,610
Private gifts and grants	32,824,621	49,981,761	10,036,946	92,843,328	137,072,961
Investment income	7,852,493	1,112,868	—	8,965,361	7,323,984
Net (depreciation) appreciation in fair value of investments and derivative instruments	(87,491,627)	(6,768,893)	(485,811)	(94,746,331)	422,899,299
Sales and services of auxiliary enterprises	28,678,823	—	—	28,678,823	27,113,067
Rent, royalty, and other income	13,414,923	—	—	13,414,923	28,439,331
Net assets released from restrictions	44,044,606	(44,044,606)	—	—	—
Total revenues	121,121,691	281,130	9,551,135	130,953,956	709,906,252
Expenses and losses (note 9):					
Expenses:					
Research	185,298,358	—	—	185,298,358	175,938,539
Graduate education	11,909,627	—	—	11,909,627	11,536,486
Research support	25,901,616	—	—	25,901,616	23,444,153
Institutional support	36,413,230	—	—	36,413,230	33,328,574
Auxiliary enterprises	32,127,474	—	—	32,127,474	29,706,574
Total expenses	291,650,305	—	—	291,650,305	273,954,326
Losses:					
Provision for uncollectible pledges	—	—	—	—	2,094,298
Other change:					
Postretirement related changes other than net periodic postretirement benefit cost (note 6)	(6,467,000)	—	—	(6,467,000)	—
Net expenses, losses, and other change	285,183,305	—	—	285,183,305	276,048,624
Change in net assets before effect of adoption of SFAS No. 158	(164,061,614)	281,130	9,551,135	(154,229,349)	433,857,628
Effect of adoption of SFAS No. 158 (notes 1 and 6)	—	—	—	—	(25,846,000)
Change in net assets	(164,061,614)	281,130	9,551,135	(154,229,349)	408,011,628
Net assets at beginning of year	1,953,110,651	492,578,406	231,250,415	2,676,939,472	2,268,927,844
Net assets at end of year	$ 1,789,049,037	492,859,536	240,801,550	2,522,710,123	2,676,939,472

See accompanying notes to financial statements.

THE ROCKEFELLER UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2008
(with comparative financial information for the year ended June 30, 2007)

	2008	2007
Cash flows from operating activities:		
Change in net assets	$ (154,229,349)	408,011,628
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Effect of adoption of SFAS No. 158	—	25,846,000
Postretirement related changes other than net periodic postretirement benefit costs	(6,467,000)	—
Net depreciation (appreciation) in fair value of investments	66,208,798	(421,440,147)
Net depreciation (appreciation) in fair value of derivative instruments	28,435,298	(1,004,407)
Net depreciation (appreciation) in fair value of deposits held by bond trustees	102,235	(454,745)
Provision for uncollectible pledges	—	2,094,298
Depreciation and amortization	31,638,221	30,758,804
Accretion of conditional asset retirement obligation	512,325	481,508
Amortization of bond discount and deferred issuance costs	189,511	181,821
Write off of deferred issuance costs	1,202,486	—
Loss on sale of equipment	—	71,000
Contribution of stocks	(7,089,284)	—
Private gifts and grants restricted for long-term investment	(10,036,946)	(18,295,388)
Decrease (increase) in contributions receivable, excluding amounts in financing activities	9,734,176	(51,547,192)
Decrease in accounts and accrued interest receivable	1,432,684	2,599,367
Increase in other assets	(3,499,732)	(1,272,608)
Increase in accounts payable and accrued expenses	1,333,225	2,065,635
Increase in deferred revenues	385,330	179,517
Decrease in conditional asset retirement obligation	(949,896)	—
Increase in postretirement benefit obligation	4,616,000	5,017,000
Net cash used in operating activities	(36,481,918)	(16,707,909)
Cash flows from investing activities:		
Proceeds from sale of short term investments	295,206,025	256,411,874
Purchase of short term investments	(308,031,515)	(259,887,291)
Proceeds from sale of investments	1,053,484,481	762,736,002
Purchase of investments	(996,999,589)	(709,486,640)
Additions to plant assets	(63,531,542)	(48,840,751)
Proceeds from sale of equipment	—	17,000
Increase in accounts payable for capital expenditures	5,009,360	3,583,400
Principal collections on loans receivable – faculty and staff	2,005,195	1,997,305
Issuance of loans – faculty and staff	(5,069,839)	(1,911,881)
Change in deposits held by bond trustees, net	(49,466,765)	10,273,367
Net cash (used in) provided by investing activities	(67,394,189)	14,892,385
Cash flows from financing activities:		
Proceeds from private gifts and grants restricted for long-term investment	7,207,571	17,682,987
Proceeds from long-term debt	217,965,000	—
Retirement of indebtedness	(121,028,334)	(6,326,666)
Line of credit proceeds	40,000,000	35,000,000
Line of credit payments	(35,000,000)	(45,000,000)
Increase in bond issuance costs	(1,745,405)	—
Net cash provided by financing activities	107,398,832	1,356,321
Net increase (decrease) in cash and cash equivalents	3,522,725	(459,203)
Cash and cash equivalents at beginning of year	8,587,652	9,046,855
Cash and cash equivalents at end of year	$ 12,110,377	8,587,652
Supplemental disclosure:		
Interest paid	$ 16,527,007	16,911,900

See accompanying notes to financial statements.

(1) Discussion of Operations and Summary of Significant Accounting Policies

The Rockefeller University (the University) is an internationally recognized not-for-profit center for advanced research and education in the natural sciences. The University's primary purpose is to better humankind through scientific research and to educate the scientists of the future. Today, the University is in the forefront of research in the areas of: biochemistry, structural biology, and chemistry; molecular, cell, and developmental biology; immunology, virology, and microbiology; medical sciences and human genetics; neuroscience; and physics and mathematical biology. The University does not charge tuition. Its revenues are derived primarily from investment income, government grants and contracts, and private gifts, grants, and contracts.

The significant accounting policies followed by the University are described below:

(a) Basis of Presentation

The University prepares its financial statements on the accrual basis of accounting in accordance with standards established by the Financial Accounting Standards Board (FASB) for external reporting by not-for-profit organizations. Those standards require the classification of net assets and changes therein in one of three classes of net assets as follows:

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

Temporarily restricted net assets – Net assets subject to donor-imposed restrictions that will be met by actions of the University or the passage of time.

Unrestricted net assets – Net assets not subject to donor-imposed restrictions, with certain limitations as follows:

- Uses of certain unrestricted net assets are committed through contractual agreements. Such amounts primarily consist of required trusteed balances under long-term debt agreements. In addition, grants and contracts for the performance of certain services or functions are reported as unrestricted revenue.
- Certain accumulated net investment gains earned on permanently restricted net assets are included within unrestricted net assets. In accordance with New York State law, the appropriation and spending of such gains, absent donor directives, is subject to a standard of prudence, as more fully discussed under the accounting policy note on investments.
- The board of trustees, through voluntary resolutions, has set aside portions of the University's unrestricted net assets to function as endowment, for plant asset purposes and for other specific operating purposes.

Revenues are reported as increases in unrestricted net assets unless limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor restrictions or by law. Expirations of temporary restrictions on net assets, that is, the donor-imposed restricted purpose has been accomplished and/or the stipulated time period has elapsed, are reported as net assets released from restrictions.

(b) Cash Equivalents and Short-Term Investments

All highly liquid debt instruments with a maturity of three months or less are considered to be cash equivalents, except for such assets that are part of the University's investment portfolio managed by external investment managers for long-term purposes.

Short-term investments are reported at fair value and represent the University's operating cash that has been primarily invested in the Commonfund's Short Term Fund (CSTF) (note 12).

(c) Contributions

Contributions, including unconditional promises to give, are reported as revenues in the period received. Contributions to be received after one year are discounted to reflect the present value of future cash flows at a risk-free rate. Amortization of the discount is recorded as additional contribution revenue in accordance with the donor-imposed restrictions, if any, on the contributions.

Contributions of property, plant, and equipment without donor stipulation concerning the use of such long-lived assets are reported as revenues of the unrestricted net assets class. Contributions of cash or other assets to be used to acquire property, plant, and equipment are reported as revenues of the temporarily restricted net assets class; the restrictions are considered to be released at the time such long-lived assets are placed into service.

(d) Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value based upon values provided by the University's external investment managers or upon quoted market values. Investments in partnerships are reflected at fair value as reported by the general partners, and may differ from the values that would have been reported had a ready market for these securities existed. The University reviews and evaluates the values provided by the general partners and agrees with the valuation methods and assumptions used in determining the fair value of the limited partnerships.

The University has interpreted New York State law to allow the spending of income and gains on investments of permanently restricted net assets, absent explicit donor restrictions that all or a portion of such gains be maintained in perpetuity. State law allows the University to appropriate and spend such income and gains as is prudent, considering such factors as the University's long- and short-term needs, present and anticipated financial requirements, expected total return on investments, price level trends, and general economic conditions.

Dividends, interest, and net gains and losses on investments are reported as follows: (i) as increases or decreases in permanently restricted net assets if the terms of the gift require that they be added to the principal of a permanent endowment fund; (ii) as increases or decreases in temporarily restricted net assets if the terms of the gift impose restrictions on the use of the income or net gains; and (iii) as increases or decreases in unrestricted net assets in all other cases.

(e) Plant Assets

Plant assets are stated at cost, or at fair value at date of donation in the case of gifts. Depreciation of buildings and building improvements is recorded over estimated useful lives ranging from 15 to 50 years. Equipment is depreciated over estimated useful lives ranging from 5 to 10 years. Leasehold improvements are amortized over the life of the asset or term of the lease, whichever is shorter. Library books are depreciated over estimated useful lives of 15 years.

(f) Government Grants and Contracts

Revenue from government grants and contracts is generally recognized as earned, that is, as the related costs are incurred under the grant or contract agreements. Amounts expended in excess of reimbursements are reported as accounts receivable.

(g) Fair Value of Financial Instruments

The carrying amount of the University's financial instruments other than investments, contributions receivable, and bonds and notes payable approximates fair value because of their short maturity. The fair value of investments is discussed in notes 2. The carrying value of contributions receivable approximates their fair value.

The estimated fair value of the University's bonds and notes payable is based on the discounted future cash payments to be made for each issue. The discount rate used approximates current market rates for loans of similar maturities and credit quality. At June 30, 2008, the fair value of long-term debt is approximately $386 million.

(h) Derivative Instruments

The University accounts for derivative instruments in accordance with FASB's Statement of Financial Accounting Standards (SFAS) No. 133, *Accounting for Derivative Instruments and Hedging Activities*. SFAS No. 133 requires that all derivative financial instruments be recognized in the financial statements and measured at fair value regardless of the purpose or intent for holding them. The fair value of the derivatives held is based upon values provided by third-party financial institutions and is assessed by management for reasonableness.

(i) Income Taxes

The University is exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code.

(j) ***Use of Estimates***

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

(k) Comparative Financial Information

The statement of activities is presented with prior year financial information in total, which does not include net asset class detail. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with the University's 2007 financial statements, from which the summarized information was derived.

(l) Conditional Asset Retirement Obligation

The University accrues the costs related to legal obligations to perform certain activities in connection with the retirement, disposal, or abandonment of assets. The New York State Department of Labor Industrial Code Rule 56 requires the controlled removal or encapsulation of asbestos by a licensed contractor in commercial and public buildings, including renovations and partial or complete demolition activities, such legislation being applicable to the University.

In the normal course of operations, the University performs maintenance and repairs on its buildings. The University is also involved in ongoing construction projects. As part of these activities, the University has identified costs that will be incurred for asbestos removal in the future. The removal will be performed over time with an estimated completion date of 2016.

(m) Recently Adopted Accounting Standards

In June 2006, FASB issued Interpretation No. 48 (FIN 48), *Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109*. FIN 48 addresses the accounting for uncertainties in income taxes recognized in an organization's financial statements and prescribes a threshold of more-likely than-not for recognition and derecognition of tax positions taken or expected to be taken in a tax return. FIN 48 also provides related guidance on measurement, classification, interest and penalties, and disclosure. The adoption of FIN 48 in fiscal 2008 did not have a material impact on the University's financial statements.

In September 2006, FASB issued Statement of Financial Accounting Standards No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans*. SFAS No. 158 requires an employer to recognize the funded status of a benefit plan as an asset or liability in the employer's balance sheet.

(Continued)

(n) Recently Issued Standards

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements*. SFAS No. 157 defines fair value, establishes a framework for measuring fair value, and requires expanded disclosures about fair value measurements. SFAS No. 157 is effective for reporting periods beginning after November 15, 2007. The impact of adoption of SFAS No. 157 is currently being evaluated by the University. SFAS No. 157 will require additional disclosures regarding the inputs used to develop the fair value measurements, and the impacts of certain measurements on the statement of activities.

In August 2008, FASB Staff Position No. FAS 117-1 (FSP), *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 (UPMIFA) and Enhanced Disclosures for All Endowment Funds*, was issued, and its guidance is effective for fiscal years ending after December 15, 2008. A key component of that FSP is a requirement to classify the portion of a donor-restricted endowment fund that is not classified as permanently restricted net assets as temporarily restricted net assets until appropriated for expenditure. New York State has not yet adopted UPMIFA; however, for the year ended June 30, 2009, the University will have to adopt the disclosure requirements of the FSP.

(o) Reclassifications

Certain reclassifications have been made to the 2007 balance sheet and statement of cash flows to conform to the current year presentation. The University reclassified $38,470,268 and $34,994,851 reported as cash equivalents at June 30, 2007 and 2006, respectively, to short-term investments.

(2) Investments

Investments consist of the following at June 30, 2008 and 2007:

	2008		2007	
	Cost	Fair value	Cost	Fair value
Cash equivalents	$ 44,535,214	44,535,214	80,644,342	80,644,342
U.S. government and agency obligations	88,876,332	84,283,514	72,726,305	71,421,666
Corporate bonds and notes	105,527,620	19,061,085	33,193,495	32,777,109
U.S. and international equities	108,326,734	191,704,090	212,884,719	275,148,004
Partnerships – public investments	679,919,902	1,250,697,429	638,192,908	1,294,738,720
Partnerships – private investments and other	627,134,878	547,138,415	526,183,750	498,336,866
	$ 1,654,320,680	2,137,419,747	1,563,825,519	2,253,066,707

Partnerships – public investments include interests in limited partnerships and limited liability corporations that invest principally in public equities and corporate bonds and may employ both long and short strategies. These interests have varying degrees of liquidity, generally ranging from 30 days to one year. At June 30, 2008, the University had no commitments that had not yet been funded.

Partnerships – private investments include interests in limited partnerships and limited liability corporations that invest principally in venture capital, private equity, and real estate. These interests generally have very limited liquidity. Under the terms of certain limited partnership agreements, the University is obligated to periodically advance additional funding for its limited partnership investments. At June 30, 2008, the University had approximately $404 million for which capital calls had not been exercised. Such commitments generally have fixed expiration dates or other termination clauses. The University maintains sufficient liquidity to cover such calls.

The University's portfolio may also include certain types of financial instruments such as futures and forward contracts, options, and swaps.

The University invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. 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 balance sheet.

(3) Obligation under Line of Credit

On October 19, 2006, the University entered into a three-year revolving credit agreement with a financial institution expiring on October 19, 2009, replacing a previous $100 million credit facility. This agreement consists of two components: $100 million as a committed facility to be used for general institutional purposes; and an additional $100 million as an uncommitted facility to be used for capital purchases. The uncommitted facility was reduced to $50 million on February 1, 2008. The agreement is renewable each 364 days. Under the committed facility, borrowings may occur at either the London Interbank Offered Rate (LIBOR) plus 0.15%, the prime rate less 2.00%, or a money market rate. The commitment fee on the committed facility is 0.02% of the undrawn balance. Under uncommitted facility, borrowings may occur at either LIBOR plus 0.11%, the prime rate less 2.00%, or a money market rate. As of June 30, 2008 and 2007, $40,000,000 and $35,000,000, respectively, was outstanding on the committed credit facility.

Interest expense relating to the obligations under lines of credit for the years ended June 30, 2008 and 2007 was $1,194,551 and $2,551,035, respectively.

(4) Long-Term Debt

The University has financed certain plant asset acquisition and construction costs through revenue obligations of the Dormitory Authority of the State of New York (the Authority). The following obligations were outstanding at June 30, 2008 and 2007:

	2008	2007
The Rockefeller University Revenue Bonds, Series 2008A, variable rate, partially hedged by interest rate swap, due 2039 (effective rate 3.40% as of June 30, 2008)	$ 103,215,000	—
The Rockefeller University Revenue Bonds, Series 2005A, variable rate, partially hedged by interest rate swap, due 2032 (effective rate 5.08% and 5.35% as of June 30, 2008 and 2007, respectively)	64,500,000	64,750,000
The Rockefeller University Revenue Bonds, Series 2002A1, fixed at 5%, due 2032	55,000,000	55,000,000
The Rockefeller University Revenue Bonds, Series 2002A2, variable rate, hedged by interest rate swap, due 2032 (effective rate 4.43% and 4.75% as of June 30, 2008 and 2007, respectively)	50,000,000	50,000,000
The Rockefeller University Revenue Bonds, Series 1998, 4% to 5%, due serially to 2037	88,470,000	91,190,000
The Rockefeller University Revenue Bonds, Series 1998A, variable rate, hedged by interest rate swap fixed interest at 5.38%, due serially to 2014	24,300,000	27,608,334
	385,485,000	288,548,334
Unamortized bond discounts	(2,093,993)	(2,215,743)
	$ 383,391,007	286,332,591

On January 23, 2008, the Authority issued $103,215,000 of The Rockefeller University Revenue Bonds, Series 2008A (the Series 2008A bonds). The Series 2008A bonds were issued as variable interest rate bonds and option bonds. The Series 2008A bond proceeds were deposited into various funds held by a trustee and are being used (i) to finance the renovation and modernization of several existing buildings on the University's campus, including the renovation and modernization of laboratory facilities and improvements to related infrastructure; (ii) for the initial design and construction of a "bridging" building that will link two existing buildings; (iii) to finance the renovation and expansion of the University's animal care facility; and (iv) to pay the costs of issuance on the Series 2008A bonds.

On May 24, 2005, the Authority issued $65 million of The Rockefeller University Revenue Bonds, Series 2005A (the Series 2005A bonds). The Series 2005A bonds were issued as variable interest rate bonds in the Auction Rate Mode. The Series 2005A bond proceeds were deposited into various funds held by a trustee and are being used (i) to finance various construction and renovation projects throughout the University's campus and (ii) to pay the costs of issuance on the Series 2005A bonds. On April 3, 2008, the Series 2005A bonds were redeemed, converted to variable rate demand bonds (VRDBs) and reoffered. As a result, the University wrote off unamortized deferred issuance costs of $925,042 associated with the original issuance.

On January 18, 2002, the Authority issued $105 million of The Rockefeller University Revenue Bonds, Series 2002A (the Series 2002A bonds). The Series 2002A bonds were issued in the Fixed Rate Mode (Series 2002A1) and the Variable Rate Mode (Series 2002A2) in the amounts of $55 million and $50 million, respectively. The Series 2002A bond proceeds were deposited into various funds held by a trustee and were used to: (i) finance various construction and renovation projects throughout the University's campus; (ii) pay a portion of the interest accruing on the Series 2002A bonds; and (iii) pay the costs of issuance of the Series 2002A bonds. In June 2005, the Series 2002A2 bonds were converted to the Auction Rate Mode. On April 7, 2008, the Series 2002A2 bonds were redeemed, converted to VRDBs, and reoffered. As a result, the University wrote off unamortized deferred issuance costs of $277,444 associated with the original issuance.

On April 10, 1998, the Authority issued $102,015,000 of The Rockefeller University Revenue Bonds, Series 1998 (the Series 1998 bonds). The Series 1998 bond proceeds were used to: (i) finance various construction and renovation projects throughout the University's campus; (ii) provide payment of the Authority's The Rockefeller University Revenue Bonds, Series A of 1973, the Authority's The Rockefeller University Revenue Bonds, Series B of 1978, and the Authority's The Rockefeller University Revenue Bonds, 1991 Series A; (iii) pay a portion of the interest accruing on the Series 1998 bonds; and (iv) pay the costs of issuance of the Series 1998 bonds, including the premium for a security bond for the Debt Service Reserve Fund. The structure for the Series 1998 issues includes a debt service reserve surety policy provided by Municipal Bond Investors Assurance Corporation. This surety is limited to one-half year's debt service.

On May 14, 1998, the Authority issued $46,500,000 of its The Rockefeller University Revenue Bonds, Series 1998A. The proceeds from the Series 1998A bonds were used to provide payment of the Authority's The Rockefeller University Revenue Bonds, Series 1987, which was repaid on July 1, 1998.

The Series 2002A1 and Series 1998 bonds were issued net of original issue discounts. The discounts will be accreted over the lives of the bonds. The balance of the unamortized discount for the Series 2002A1 bonds at June 30, 2008 and 2007 was $669,125 and $697,005, respectively. The balance of the unamortized discount for the Series 1998 bonds at June 30, 2008 and 2007 was $1,424,868 and $1,518,738, respectively.

 (Continued)

As of June 30, 2008, the University's projected debt service payments on its long-term debt are as follows:

	Principal	Interest	Total debt service
Year ending June 30:			
2009	$ 6,685,000	18,017,440	24,702,440
2010	6,985,000	17,735,295	24,720,295
2011	7,025,000	17,310,926	24,335,926
2012	6,590,000	16,940,605	23,530,605
2013	6,900,000	16,598,667	23,498,667
Thereafter	351,300,000	306,399,615	657,699,615
	$ 385,485,000	393,002,548	778,487,548

Interest expense on long-term debt for the years ended June 30, 2008 and 2007 was $14,964,653 and $14,360,865, respectively.

Under certain circumstance, variable-rate bond obligations may be converted to a fixed-rate structure. While these bonds are in variable rate mode, they are subject to optional and mandatory tender. Rockefeller has agreements with remarketing agents to remarket any bonds so tendered. Liquidity for the variable debt portfolio is covered primarily by portfolio self-liquidity. Additionally, on April 3, 2008, the University entered into a bank revolving credit facility (standby bond purchase agreement), with an available commitment amount of $245 million, renewable each 364 days, dedicated solely to debt portfolio liquidity. There were no borrowings outstanding on this revolving credit agreement as of June 30, 2008.

The University has entered into five interest rate swap agreements. The following schedule presents the notional principal amounts of the swaps and other related information as of June 30, 2008:

Effective date	Notional amount	Termination date
April 30, 1998	$ 27,600,000	2014
January 31, 2002	50,000,000	2032
May 2, 2005	50,000,000	2032
July 1, 2008	100,000,000	2039
July 1, 2009	100,000,000	2040
July 1, 2010	100,000,000	2040

The swaps are a partial hedge of the Series 1998A, Series 2002A2, Series 2005A, Series 2008A bond issues, as well as future bond issues. Under the terms of the agreements, the University pays interest at predetermined fixed rates and receives variable rates. In accordance with SFAS No. 133, included in obligation under derivative instruments in the balance sheet is the net cumulative loss on these derivative transactions in the amounts of $46,066,465 and $17,631,167 at June 30, 2008 and 2007, respectively.

Additionally, the change in the cumulative loss is included in net appreciation in fair value of investments and derivative instruments in the accompanying statement of activities, and amounted to a loss of $(28,435,298) and a gain of $1,004,407 for the years ended June 30, 2008 and 2007, respectively.

(5) Plant Assets

Plant assets at June 30, 2008 and 2007 are composed of the following:

	2008	2007
Land and land improvements	$ 25,337,178	25,255,144
Buildings and building improvements	634,706,933	621,813,257
Equipment	95,766,909	99,527,652
Leasehold improvements	424,726	424,726
Library books	755,237	755,237
Works of art	724,239	724,239
Total	757,715,222	748,500,255
Less accumulated depreciation and amortization	(316,721,215)	(292,553,736)
Construction in progress	65,429,739	18,583,906
	$ 506,423,746	474,530,425

The University has commitments in the amount of $305 million as of June 30, 2008 relating to its capital expansion project.

(6) Retirement Benefits

The University has defined contribution retirement plans covering substantially all academic and nonacademic personnel. The plans are fully funded by the purchase of annuity contracts. Pension costs amounted to approximately $6,816,000 and $7,011,000 for the years ended June 30, 2008 and 2007, respectively.

In addition to providing pension benefits, the University provides certain healthcare and life insurance benefits for retired faculty and administrative employees who meet certain age and length-of-service requirements upon retirement.

As disclosed in note 1, the University adopted the provisions of SFAS No. 158 as of June 30, 2007. SFAS No. 158 requires an employer to recognize the funded status (i.e., difference between the fair value of plan assets and projected benefit obligations) of its benefit plan as an asset or liability in its balance sheet and to recognize changes in that funded status in the year in which the changes occur through changes in unrestricted net assets. The effect of the adoption of SFAS No. 158 as of June 30, 2007 represents previously unrecognized prior service costs, transition obligation, and net actuarial gains of $26,366,000, $4,020,000, and $(4,540,000), respectively. As of June 30, 2008, the postretirement benefit obligation includes unrecognized prior service costs, transition obligation, and net actuarial gains of $23,508,000, $3,350,000, and $(7,479,000), respectively.

The estimated amounts that will be amortized into net periodic postretirement benefit cost in 2009 are as follows:

Transition obligation	$ 670,000
Prior service cost	2,858,000
Amortization of actuarial gain	(236,000)
	$ 3,292,000

The following table sets forth the postretirement benefit plan's funded status and amounts recognized in the University's financial statements as of and for the years ended June 30, 2008 and 2007:

	2008	2007
Change in benefit obligation:		
Benefit obligation at beginning of year	$ 47,815,000	44,619,000
Service cost	1,716,000	1,613,000
Interest cost	2,790,000	2,799,000
Plan participants' contributions	165,000	150,000
Retiree drug subsidy receipts	178,000	189,000
Actuarial loss (gain)	(5,760,000)	680,000
Benefits paid	(2,279,000)	(2,235,000)
Benefit obligation at end of year	44,625,000	47,815,000
Change in plan assets:		
Fair value of plan assets at beginning of year	16,183,000	13,693,000
Actual return on plan assets	(1,339,000)	2,490,000
Employer contribution	1,936,000	1,896,000
Plan participants' contributions	165,000	150,000
Retiree drug subsidy receipts	178,000	189,000
Benefits paid	(2,279,000)	(2,235,000)
Fair value of plan assets at end of year	14,844,000	16,183,000
Accrued postretirement benefit obligation	$ 29,781,000	31,632,000

(Continued)

The components of net periodic postretirement cost for the years ended June 30 are as follows:

		2008	2007
Service cost	$	1,716,000	1,613,000
Interest cost		2,790,000	2,799,000
Expected return on plan assets		(1,283,000)	(1,027,000)
Amortization:			
Transition obligation		670,000	670,000
Prior service cost		2,858,000	2,858,000
Actuarial gains		(199,000)	—
Net periodic postretirement benefit cost	$	6,552,000	6,913,000

Weighted average assumptions used to calculate benefits obligations and to determine net periodic pension cost as of and for the years ended June 30 are as follows:

	2008	2007
Discount rate for benefit obligations	6.81%	6.30%
Discount rate for net periodic postretirement cost	6.30	6.40
Expected return on plan assets	7.93	7.50

For measurement purposes, a 9% annual rate of increase in the per capita cost of covered healthcare and prescription drug benefits was assumed as of June 30, 2008. The rates were assumed to decrease 0.5% per year to an ultimate rate of 5% and remain at that level thereafter. Assumed healthcare cost trends have a significant effect on the amounts reported for the healthcare plans. A one-percentage-point change in assumed healthcare cost trend rates would have the following effects:

		1-percentage-point increase	1-percentage-point decrease
Effect on total of service and interest cost components	$	847,000	(669,000)
Effect on net periodic postretirement benefit cost		6,564,000	(5,369,000)

The asset allocation of the postretirement benefit plan as of June 30 was:

	2008	2007
Asset category:		
Equity securities	75%	77%
Fixed income securities	25	23
	100%	100%

(Continued)

The University's target allocations for the plan assets are approximately 70% for equity securities and 30% for fixed income securities. Allowable investment types have been limited to those categories.

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 is reflected assuming that the University will continue to provide a prescription drug benefit to plan participants that is at least actuarially equivalent to Medicare Part D and that the University will receive the federal subsidy until 2015.

The benefits expected to be paid in each fiscal year from 2009 to 2013 and the five subsequent years thereafter are:

		Expected benefits payments not reflecting Medicare subsidy	Medicare subsidy	Expected benefits reflecting Medicare subsidy
2009	$	2,250,000	192,000	2,058,000
2010		2,406,000	203,000	2,203,000
2011		2,564,000	212,000	2,352,000
2012		2,708,000	221,000	2,487,000
2013		2,868,000	227,000	2,641,000
2014 – 2018		16,857,000	1,140,000	15,717,000

The expected benefits to be paid are based on the same assumptions used to measure the University's benefit obligation at June 30, 2008.

Employer contributions of approximately $2 million are expected to be made in 2009.

(7) Contributions Receivable

Contributions receivable consist of the following at June 30, 2008 and 2007:

	2008	2007
Unconditional promises expected to be collected in:		
Less than one year	$ 148,723,139	45,872,979
One year to five years	81,672,461	188,697,384
Thereafter	6,410,885	15,331,605
	236,806,485	249,901,968
Less allowance	(2,500,000)	(2,500,000)
Less discount to present value at rates ranging from 4% to 5%	(7,542,740)	(13,733,422)
	$ 226,763,745	233,668,546

Included in gross contributions receivable at June 30, 2008 is approximately $146 million due from two donors.

(8) Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets consist of the following at June 30, 2008 and 2007:

	2008	2007
Restricted as to purpose:		
Research	$ 135,074,601	132,460,854
Research support	103,871,234	95,034,414
Renovation of facilities	1,877,391	1,336,395
Graduate education	750,310	432,024
Restricted as to time:		
For subsequent years	251,137,721	263,166,440
Annuity trust agreements	148,279	148,279
	$ 492,859,536	492,578,406

(Continued)

Permanently restricted net assets at June 30, 2008 and 2007 are restricted to investments in perpetuity, with investment return available to support the following activities:

	2008	2007
Research	$ 47,303,846	45,020,893
Research support	2,611,445	2,512,307
Unrestricted activities	190,886,259	183,717,215
	$ 240,801,550	231,250,415

(9) Expenses

Expenses are reported in the statement of activities in categories recommended by the National Association of College and University Business Officers. The University's primary program services are research and graduate education. Expenses reported as research support and auxiliary enterprises are incurred in support of these primary program services. Accordingly, total program services expenses approximated $255,237,000 and $240,626,000 in 2008 and 2007, respectively. Institutional support includes approximately $6,145,000 and $5,241,000 of fund-raising expenses in 2008 and 2007, respectively.

(10) Contingent Liabilities

The University is a defendant in various lawsuits. Management of the University does not expect the ultimate resolution of these actions to have a significant effect on the University's financial position.

Amounts expended by the University under various government grants and contracts are subject to audit by governmental agencies. In the opinion of management, audit adjustments, if any, will not have a significant effect on the University's financial position.

(11) The Rockefeller Archive Center

The Rockefeller Archive Center (RAC), a division of the University, was established in 1974 to assemble, process, and make available for scholarly research the papers of the Rockefeller family and the records of various philanthropic and educational institutions founded by the family, including the University, the Rockefeller Foundation, and the Rockefeller Brothers Fund.

In March 2008, The Rockefeller University Board approved a resolution that the University shall enter into all necessary agreements and execute all necessary documents in order to effectuate the following transactions: (i) the transfer of assets from the University to the Rockefeller Archive Center; and (ii) the provision of services by the University to the Rockefeller Archive Center.

On June 20, 2006, RAC was formed as a separate legal entity with a board of trustees separate and distinct from that of the University's. On July 1, 2008, the University executed the agreements to effectuate the transactions noted above. As a result, on July 1, 2008, net assets of approximately $113.4 million reported within the University's financial statements as of June 30, 2008, were transferred to RAC. Of the $113.4 million of net assets, $109.2 million represents the fair value of investments transferred. The remainder of the net assets consists of cash and property, plant, and equipment, offset by RAC's share of the postretirement benefit obligation.

(12) Subsequent Event

Effective September 29, 2008, Wachovia Bank, N.A., as Trustee of CSTF announced its decision to terminate and liquidate CSTF. No additional contributions to CSTF will be accepted. Under the liquidation plan, investors in CSTF will be allowed to withdraw balances based on their proportional interest in CSTF as assets mature or are sold. The University's investment in CSTF at October 30, 2008 was $22,673,724.

The value of the remaining liquidation proceeds to be received by the University is not expected to vary significantly from the fair value carried on the University books based on the current net asset value of CSTF. However, the realization of this value will depend upon market conditions including the liquidity of CSTF's assets during the liquidation period. The University expects to receive such funds on various dates through 2010.

SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT

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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.

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 University shall have been made or provision made for the payment thereof; *provided, however*, that certain liabilities and obligations of the University 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 University 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 University to the Authority pursuant to the Loan Agreement.

(Section 42)

Construction of Projects

The University agrees that, whether or not there are sufficient moneys available to it under the provisions of the Resolution and under the Loan Agreement, the University 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 moneys available in the applicable Construction Fund, cause the University to be reimbursed for, or pay, any costs and expenses incurred by the University 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 University with the prior written consent of an Authorized Officer of the Authority 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, improving, or otherwise providing furnishing and equipping of a Project which the Authority is authorized to undertake. The University shall provide such moneys or an irrevocable letter of credit or other security in a form acceptable to the Authority as is required for the cost of completing a Project or portion thereof in excess of the moneys in the Construction Fund established for such Project.

(Section 6)

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

Except to the extent that moneys are available therefor under the Resolution or the Loan Agreement, including moneys in the Debt Service Fund (other than moneys 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 University 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 University 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) Three days (or the preceding Business Day if such day is not a Business Day) 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;

(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 University 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 University 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 moneys to be made available pursuant to a Liquidity Facility; *provided, however*, that if such notice is given to the University 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 University 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 University shall receive a credit against the amount required to be paid by the University 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 University 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 University, and the University 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 moneys paid by the University to the Trustee pursuant to the Loan Agreement or otherwise held by the Trustee shall be applied in reduction of the University'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 moneys are applied by the Trustee for the payment of interest on Outstanding Bonds, and, with respect to the principal of such indebtedness, such moneys have 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 moneys 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 University 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 University 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 University to complete a Project or the completion thereof with defects, failure of the University 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 University 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 University for, or to pay, the Costs of a Project beyond the extent of moneys available in the Construction Fund established for such Project.

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

An Authorized Officer of the Authority, for the convenience of the University, shall furnish to the University 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 University shall notify the Authority as to the amount and date of each payment made to the Trustee by the University.

The Authority shall have the right in its sole discretion to make on behalf of the University any payment required pursuant to the Loan Agreement which has not been made by the University 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 University'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 University to make such payment.

The University, 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 University, 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 University, 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.

(Section 9)

Consent to Pledge and Assignment

The University 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 University; General and Unconditional Obligation; Voluntary Payments"*, (ii) any or all security interests that may be granted by the University 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 University 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 University 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 University; General and Unconditional Obligation; Voluntary Payments"*, (y) in any security interest that may be granted by the University 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 University 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 University pursuant thereto.

(Section 10)

Management Consultant

If at any time the rating on any Outstanding Bonds or on any of the University's long term unsecured, unenhanced debt obligations is reduced by Moody's Investor Service, Inc. ("Moody's") to "A1" or by Fitch, Inc ("Fitch") or Standard & Poor's Rating Services ("S&P") to "A+", the Authority may request the University to engage, at the University's expense, a Management Consultant, which the University has agreed to engage within 60 days after such request is made; and, if at any time the rating on any Outstanding Bonds or on any of the University's long term unsecured, unenhanced debt obligations is reduced by Moody's to less than "A1" or by Fitch or S&P to less than "A+" or if any rating is suspended or withdrawn by Moody's, Fitch or S&P, the University, at the University's expense, shall and has agreed to engage a Management Consultant within 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 University 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 University and an Authorized Officer of the University no later than 120 days following the date of engagement of such Management Consultant. The Board of Trustees of the University and such Authorized Officer of the University shall each deliver to the Authority no later than 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 comments and reaction to the report and recommendations of the Management Consultant. The University shall, 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 University shall deliver to the Authority and the Trustee:

(i) within 45 days of receipt of such Management Consultant's report (x) a report setting forth in reasonable detail the steps the University 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 University accepting both the Management Consultant's report and the report prepared by the University as required in clause (x) hereof; and

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

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

(Section 15)

Tax-Exempt Status of the University

The University 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.

(Section 16)

Use and Control of Projects; Restrictions on Religious Use

Subject to the rights, duties and remedies of the Authority under the Loan Agreement, the University 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 University or its students, staff and employees in furtherance of the University'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 University 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 University 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 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 20 and 21)

Maintenance, Repair and Replacement.

The University 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 University 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 University 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 University 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 22)

Insurance.

(a) The University shall procure and maintain, or cause to be procured and maintained, to the extent reasonably obtainable, from responsible insurers, insurance of the type and in the amounts customarily maintained by institutions providing services similar to those provided by the University. All policies of insurance required by this section shall be primary to any insurance maintained by the Authority.

(b) The University shall, with respect to each Project, at the times specified in the following paragraphs, procure and maintain, or cause to be procured and maintained, to the extent reasonably obtainable, from responsible insurers acceptable to the Authority, the following insurance:

(i) with respect to any building the construction of which shall not have been completed (and until insurance is procured pursuant to subparagraph (ii) below), all risk builders' risk insurance against direct physical loss or damage, or with respect to the acquisition and installation of equipment or machinery, in lieu of all risk builders' risk, an installation floater on an all risk basis. The amount of such insurance shall be on a one hundred per centum (100%) completed value basis on the insurable portion;

(ii) at all times (except during a period when builders' risk insurance is in effect as required by subparagraph (i) above), all risk property insurance against direct physical loss or damage to the Project in an amount not less than one hundred per centum (100%) of the replacement value thereof (such replacement value to be determined on the basis of replacement costs without allowance for depreciation), exclusive of excavations and foundations and similar property normally excluded under New York standard forms; *provided, however*, that the inclusion of the Project under a blanket insurance policy or policies of the University insuring against the aforesaid hazards in an amount aggregating at least one hundred per centum (100%) of the insurable value of the insured property, exclusive of excavations and foundations and similar property normally excluded under New York standard forms, shall constitute complete compliance with the provisions of this paragraph with respect to the Project; *provided, further*, that in any event, each such policy shall be in an amount sufficient to prevent the University and the Authority from becoming co-insurers under the applicable terms of such policy;

(iii) at all times, statutory workers' compensation insurance, covering loss resulting from injury, sickness, disability or death of employees and employer's liability insurance with limits of at least $1,000,000 for each accident, each sickness, and aggregate occupational illness or sickness;

(iv) at all times, statutory disability benefits;

(v) at all times, commercial general liability insurance protecting the Authority and the University against loss or losses from liabilities arising from bodily injury of persons or damage to the property of others caused by accident or occurrence, with limits of not less than $1,000,000 per accident or occurrence on account of injury to persons or property damage with $2,000,000 policy aggregate, excluding liability imposed upon the Authority or the University by any applicable workers' compensation law;

(vi) commencing with the date on which the Project or any part thereof is completed or first occupied, or any equipment, machinery, fixture or personal property covered by comprehensive boiler and machinery coverage is accepted, whichever occurs earlier, insurance providing comprehensive boiler and machinery coverage in an amount considered adequate by the Authority, which insurance may include deductible provisions approved by the Authority; and

(vii) each other form of insurance which the University is required by law to provide and such other kinds of insurance in such amounts as from time to time may be reasonably required by the Authority.

(c) Any insurance procured and maintained by the Authority or the University pursuant to this section, including any blanket insurance policy, may include deductible provisions reasonably satisfactory to the Authority and the University. In determining whether or not any insurance required by this section is reasonably obtainable or if the deductible on any such insurance is a reasonable deductible, the Authority may rely solely and exclusively upon the advice and judgment of any insurance consultant chosen by the University and approved by the Authority, and any such decision by the Authority, based upon such advice and judgment, shall be conclusive.

(d) No provision of this section shall be construed to prohibit the University from self-insuring against any risk at the recommendation of any insurance consultant chosen by the University and approved by the Authority; *provided, however*, that self–insurance plans shall not cover property, plant and equipment. The University shall also cause an annual evaluation of such self–insurance plans to be performed by an independent insurance consultant. The University shall provide adequate funding of such self–insurance if and to the extent recommended by such insurance consultant and approved by the Authority.

(e) Each policy maintained pursuant to this section shall provide that the insurer writing such policy shall give at least thirty (30) days notice in writing to the Authority of the cancellation or non-renewal or material change in the policy unless a lesser period of notice is expressly approved in writing by the Authority. The University, not later than July 15 of each year, shall provide to the Authority certificate(s) of insurance describing all policies of insurance maintained as of June 30 by the University pursuant to this section stating with respect to each such policy (i) the insurer, (ii) the insured parties or loss payees, (iii) the level of coverage, and (iv) such other information as the Authority may have reasonably requested.

(f) All policies of insurance shall be open to inspection by the Authority and the Trustee or their representatives at all reasonable times. If any change shall be made in any such insurance, a description and notice of such change shall be furnished to the Authority and the Trustee at the time of such change. The University covenants and agrees not to make any change in any policy of insurance which would reduce the coverages or increase the deductible thereunder without first securing the prior written approval of the Authority.

(g) All policies of insurance maintained pursuant to this section, other than policies of workers' compensation insurance, shall include the Authority and the University, as additional insureds or as mortgagee or as loss payee as appropriate.

(h) In the event the University fails to provide the insurance required by this section, the Authority may elect at any time thereafter to procure and maintain the insurance required by this section at the expense of the University. The policies procured and maintained by the Authority shall be open to inspection by the

University at all reasonable times, and, upon request of the University, a complete list describing such policies as of the June 30 preceding the Authority's receipt of such request shall be furnished to the University by the Authority.

(Section 23)

Reports and Financial Information

The University 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 University 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 University shall also furnish annually, not later than one hundred sixty-five (165) days after the end of the University's fiscal year, to the Trustee, the Authority and to such other parties as an Authorized Officer of the Authority may designate, including Rating Services, (i) a certificate stating whether the University 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 University 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 University and such other information reasonably required by an Authorized Officer of the Authority.

(Section 26)

Defaults and Remedies

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

(a) the University 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 University 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) of the provision of the Loan Agreement summarized above under the caption *"Financial Obligations of the University; 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 University; General and Unconditional Obligation; Voluntary Payments"*; or

(b) the University defaults in the due and punctual performance of any other covenant contained in the Loan Agreement and such default continues for thirty (30) days after written notice requiring the same to be remedied shall have been given to the University by the Authority or the Trustee, *provided, however*, that, if in the determination of the Authority such default cannot be corrected within such thirty (30) day period but can be corrected by appropriate action, it shall not constitute an Event of Default if corrective action is instituted by the University within such period and is diligently pursued until the default is corrected;

(c) as a result of any default in payment or performance required of the University 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 University shall be in default under any agreement entered into with the issuer of or in connection with a Liquidity Facility of a Credit Facility (which default has not been waived or cured) if the

University's obligations thereunder are secured by a lien upon or pledge which is equal to or prior to the lien created by the Loan Agreement or the pledge thereof made thereby and, upon such default, (i) the principal of any indebtedness thereunder may be declared to be due and payable or (ii) the lien upon or pledge may be foreclosed or realized upon;

(e) the University 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 University, 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 University, or any petition for any such relief shall be filed against the University and such petition shall not be dismissed within ninety (90) days;

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

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

(i) an order of dissolution of the University 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 University 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 University 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 University, 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 University and at any time after thirty (30) days from the entry thereof, (i) such judgment shall not have been paid or otherwise discharged, or (ii) the University 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 University 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 University may otherwise be entitled under the Loan Agreement and in the Authority's sole discretion apply any such proceeds or moneys 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 University under the Loan Agreement to recover any sums payable by the University or to require its compliance with the terms of the Loan Agreement;

(e) to the extent permitted by law, (i) 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 University, consent to such entry being given by the University by the Loan Agreement, (ii) at any time discontinue any work commenced in respect of the construction of any Project or change any course of action undertaken by the University and not be bound by any limitations or requirements of time whether set forth in the Loan Agreement or otherwise, (iii) assume any construction contract made by the University 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 University, whether or not previously incorporated into the construction of such Project, and (iv) in connection with the construction of any Project undertaken by the Authority pursuant to the provisions of this paragraph (e), (x) engage builders, contractors, architects, engineers and others for the purpose of furnishing labor, materials and equipment in connection with the construction of such Project, (y) 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 (z) take or refrain from taking such action under the Loan Agreement as the Authority may from time to time determine. The University 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 paragraph (e) or otherwise, and all payments made or liabilities incurred by the Authority under the Loan Agreement of any kind whatsoever shall be paid by the University to the Authority upon demand. For the purpose of exercising the rights granted by this paragraph (e) during the term of the Loan Agreement, the University 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 University; and

(f) take any action necessary to enable the Authority to realize on its liens under the Loan Agreement or by law, and any other action or proceeding permitted by the terms of the Loan Agreement 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 29)

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SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

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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 Reoffered 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 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 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 1.03)

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 moneys 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 and any fund established for the payment of the purchase price of Option Bonds tendered for purchase, 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 of the Revenues and the assignment of the Authority's security interest therein shall also be for the benefit of each Provider as security for the payment of any amounts payable to such Provider under the Resolution; *provided, however*, that such pledge and assignment shall, in all respects, be subject and subordinate to the rights and interest therein of the Bondholders. 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)

Establishment of Funds and Accounts

The following funds and separate accounts within 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 Resolution, the Authority may establish such other accounts or subaccounts as it considers necessary or desirable. All moneys 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 or 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 be deposited 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 Moneys in the Construction Fund

As soon as practicable after the delivery of each Series of Bonds, there 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. Except as otherwise provided in the Resolution and in any applicable Series Resolution or Bond Series Certificate, moneys 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 moneys, 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 moneys, which by any of the provisions of the Loan Agreement are required to be paid to the Trustee, shall upon receipt by the Trustee 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: 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 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 Third.

The Trustee shall notify the Authority and the University promptly after making the payments 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 University, in the respective amounts set forth in such direction. Any amounts paid to the University 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 all Outstanding Bonds on such interest payment date; 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 moneys 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. Any Term Bond so purchased and any Term Bond purchased by the University and delivered to the Trustee in accordance with the Loan Agreement 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.

Moneys 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 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 moneys 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 moneys delivered to it by the University 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, moneys 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.

Moneys 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. Moneys 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 moneys 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 Moneys 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 University. 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

Moneys 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, and, if not inconsistent with the investments guidelines of a Rating Service applicable to funds held under the Resolution, any other permitted investment; *provided, however,* that each such investment shall permit the moneys so deposited or invested to be available for use at the times at which the Authority reasonably believes such moneys will be required for the purposes of 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 moneys 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.

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 moneys 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 University 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.

(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

The Loan Agreement may not be amended, changed, modified, altered or terminated so as to materially adversely affect the interest of the Holders of the Outstanding Bonds without the prior written consent of (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 modification or amendment 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 or 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 University under the Loan Agreement that is to be deposited with the Trustee or extend the time of payment thereof.

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 the Bonds of a Series, whether purchasing as underwriters, for resale or otherwise, upon such purchase from the Authority, may consent to an amendment, change, modification, alteration or termination permitted by this section in the manner provided herein, 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 for resale, the nature of the amendment, change, modification, alteration or termination 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. 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 the Resolution for an amendment to the Resolution, (ii) on the first Auction Date for such Bond occurring at least 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 or alteration of the Loan Agreement 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 or alteration, and any such determination shall be binding and conclusive on the University, the Authority and all Holders of Bonds.

For the 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 or alteration adversely affects the interests of any Holders of Bonds then Outstanding in any material respect.

(Section 7.11)

Modification and Amendment of Resolution 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:

(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 moneys, 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 been 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 hereinabove 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.

(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.

The purchasers of the Bonds of a Series, whether purchasing as underwriters, for resale or otherwise, upon such purchase from the Authority, may consent to a modification or amendment permitted by certain sections of the Resolution in the manner provided therein, 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 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 10.03)

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 Installment or Redemption Price of or interest on any Bond shall not be made when the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise; or

(b) The Authority shall default in the due and punctual performance of any covenants contained in the Series Resolution authorizing the issuance thereof, and, as a result thereof, the interest on the Bonds of a Series shall no longer be excludable from gross income under Section 103 of the Code; or

(c) 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

(d) 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 University 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 (b) 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) moneys 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) moneys 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 (b) 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 of 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 moneys adjudged or decreed to be payable.

(Section 11.04)

Priority of Payments After Default

If at any time the moneys 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 moneys together with any moneys 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:

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

First: To the payment to the persons entitled thereto of all installments of interest then due, 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 moneys 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 moneys are to be applied by the Trustee pursuant to the provisions of this section, such moneys shall be applied by the Trustee at such times, and from time to time, as the Trustee in its sole discretion shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. The setting aside of such moneys in trust for 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 moneys so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of the Resolution as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such moneys, it shall fix the date (which shall be 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 University 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 not be otherwise than 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 (b) 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 moneys 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 moneys 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 University. 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 moneys shall have been set aside and shall be held in trust by the Trustee (through deposit of moneys 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 moneys in an amount which shall be sufficient, or Defeasance Securities the principal of and interest on which when due will provide moneys which, together with the moneys, 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 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 moneys are 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 moneys 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 moneys 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 moneys and Defeasance Securities may be withdrawn and used by the Authority for any purpose upon (i) the simultaneous substitution therefor of either moneys in an amount which shall be sufficient, or Defeasance Securities the principal of and interest on which when due will provide moneys which without regard to reinvestment, together with the moneys, 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 moneys and Defeasance Securities for such purpose. Any income or interest earned by, or increment to, the investment of any such moneys 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 University, and any such moneys 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 moneys, or Defeasance Securities and moneys, 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 moneys 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, if requested by the Authority, pay the amount of such excess to the Authority free and clear of any trust, pledge, lien, encumbrance or security interest created by the Resolution or by the Loan Agreement.

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 moneys 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 moneys 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 to the Authority free and clear of any trust, pledge, lien, encumbrance or security interest created by the Resolution or by the Loan Agreement.

Anything in the Resolution to the contrary notwithstanding, any moneys 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 moneys were held by the Trustee at such date, or for one (1) year after the date of deposit of such moneys 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 moneys 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 moneys then unclaimed shall be returned to the Authority.

(Section 12.01)

Tax Exemption; Rebates

In order to maintain the exclusion from gross income for purposes of federal income taxation of interest on the Bonds of such Series as the Authority may designate, the Authority shall comply with the provisions of the Code applicable to the Bonds of such Series, including without limitation the provisions of the Code relating to the computation of the yield on investments of the "gross proceeds" of the Bonds of such Series, as such term is defined in the Code, reporting of earnings on such gross proceeds of the Bonds of such Series, and rebates 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 Tax Certificate with respect to such Series of Bonds.

The Authority shall not take any action or fail to take any action, which would cause the Bonds of such Series to be "arbitrage bonds" within the meaning of Section 148(a) of the Code; nor shall any part of the proceeds of the Bonds of such Series be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Bond of such Series 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 Bonds of such Series pursuant to Section 148(f) of the Code from amounts on deposit in the Arbitrage Rebate Fund and available therefor.

(Section 5.01; each Series Resolution)

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APPROVING OPINIONS OF BOND COUNSEL

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NIXON PEABODY LLP
ATTORNEYS AT LAW

January 30, 2002

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

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of \$55,000,000 aggregate principal amount of The Rockefeller University Revenue Bonds, Series 2002A1 (the "Series 2002A1 Bonds") and the issuance of \$50,000,000 aggregate principal amount of The Rockefeller University Revenue Bonds, Series 2002A2 (the "Series 2002A2 Bonds" and, together with the Series 2002A1 Bonds, the "Series 2002A Bonds") by the Dormitory Authority of the State of New York (the "Authority"), a body corporate and politic constituting a public benefit corporation of the State of New York, including the Dormitory Authority Act, being Title 4 of Article 8 of the Public Authorities Law of the State of New York, as amended to the date hereof, including, without limitation, by the Healthcare Financing Consolidation Act, being Title 4-B of the Public Authorities Law of the State of New York, as amended to the date hereof (the "Act"). We have also examined such certificates, documents, records and matters of law as we have deemed necessary for the purpose of rendering the opinions hereinafter set forth.

The Series 2002A Bonds are issued under and pursuant to the Act, The Rockefeller University Revenue Bond Resolution of the Authority, adopted on October 31, 2001 (the "Resolution"), and The Rockefeller University Series 2002A Resolution Authorizing the Issuance of Series 2002A Bonds, adopted on October 31, 2001 (the "Series 2002A Resolution"). Said resolutions are herein collectively referred to as the "Resolutions." Unless otherwise defined herein, capitalized terms used herein have the respective meanings given to them in the Resolutions and the Bond Series Certificate, dated January 18, 2002, relating to the Series 2002A Bonds, as supplemented by the Supplemental Bond Series Certificate, dated January 29, 2002 relating the Series 2002A2 Bonds (collectively the "2002A Bond Series Certificate").

The Series 2002A Bonds are part of an issue of bonds of the Authority (the "Bonds"), which the Authority has established and created under the terms of the Resolution and is authorized to issue from time to time for the purposes authorized by the Act and the Resolution, as then in effect, and without limitation as to amount, except as provided in the Resolutions or as may be limited by law. The Series 2002A Bonds are being issued for the purposes set forth in the Resolutions.

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The Authority is authorized to issue Bonds, in addition to the Series 2002A Bonds, only upon the terms and conditions set forth in the Resolution and such Bonds, when issued, will with the Series 2002A Bonds be entitled to the equal benefit, protection and security of the provisions, covenants and agreements of the Resolution.

The Series 2002A1 Bonds are dated and bear interest from their date of delivery and mature on July 1, 2032, and initially bear interest in the Fixed Rate Mode at the rate of 5% per annum, payable July 1, 2002 and semiannually thereafter on each January 1 and July 1, unless and until converted to another Rate Mode.

The Series 2002A2 Bonds are dated and bear interest from their date of delivery and mature on July 1, 2032, and initially bear interest at the Initial Rate for the Initial Rate Period ending on the Wednesday following the date of delivery and thereafter will bear interest in the Weekly Rate Mode, unless and until converted to another Rate Mode. The Weekly Rate will be determined on the Business Day preceding the beginning of each Weekly Rate Period and will be paid on the first Business Day of each month.

The Series 2002A Bonds are issuable in the form of fully registered Bonds. The Series 2002A1 Bonds will be issued in denominations of $5,000 or integral multiples thereof. The Series 2002A2 Bonds will be issued in denominations of the $100,000 or any integral multiple of $5,000 in excess thereof. The Series 2002A Bonds are numbered consecutively from one upward in order of issuance.

The Series 2002A Bonds are subject to redemption prior to maturity and mandatory tender for purchase as provided in the Resolutions and the 2002A Bond Series Certificate. The Series 2002A2 Bonds are also subject to tender for purchase at the option of the Holders thereof.

The Series 2002A Bonds are being issued to finance a loan by the Authority to The Rockefeller University (the "University"). The Authority and the University have entered into a Loan Agreement, dated as of October 31, 2001 (the "Loan Agreement"), by which the University is required to make payments sufficient to pay the principal, Purchase Price and Redemption Price of and interest on Outstanding Bonds, including the Series 2002A Bonds, as well as a part of the Authority's annual administrative expenditures and costs. All amounts payable under the Loan Agreement which are required to be paid to the Trustee under the Resolution for payment of the principal, Purchase Price or Redemption Price of or interest on the Bonds have been pledged by the Authority for the benefit of the Holders of Outstanding Bonds including the Series 2002A Bonds.

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 2002A Bonds thereunder.

2. The Series 2002A Resolution has been duly adopted by the Authority in accordance with the provisions of the Resolution and is authorized and permitted by the Resolution. The Resolutions have been duly and lawfully adopted by the Authority, 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 2002A 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 2002A 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 Resolution and are entitled to the benefits of the Resolutions and the Act.

4. The Authority has the right and lawful authority and power to enter into the Loan Agreement and the Loan Agreement has been duly authorized, executed and delivered by the Authority and constitutes a legal, valid and binding obligation of the Authority enforceable in accordance with its terms.

5. The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met subsequent to the issuance and delivery of the Series 2002A Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Series 2002A Bonds to be included in gross income retroactive to the date of issue of the Series 2002A Bonds. The Authority has covenanted in the Series 2002A Resolution to comply with each requirement of the Code necessary to maintain the exclusion of the interest on the Series 2002A Bonds from gross income for federal income tax purposes pursuant to Section 103(a) of the Code.

Under existing law and assuming compliance with the tax covenants described herein, interest on the Series 2002A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. The Series 2002A Bonds are not "specified private activity bonds" within the meaning of Section 57(a)(5) of the Code and therefore, the interest on the Series 2002A Bonds will not be treated as a preference item in calculating the alternative minimum tax imposed under the Code with respect to individuals and corporations. Interest on the Series 2002A Bonds is, however, included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax imposed on such corporations.

The difference between the principal amount of the Series 2002A1 Bonds and the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) constitutes original issue discount which is excluded from gross income for federal income tax purposes to the same extent as interest on the Series 2002A1 Bonds. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each Series 2002A1 Bond and the basis of each Series 2002A1 Bonds acquired at such initial offering price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. The accrual of original issue discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning Series 2002A1 Bonds, even though there will not be a corresponding cash payment. Owners of Series 2002A1 Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such 2002A1 Bonds.

6. Interest on the Series 2002A Bonds is exempt, by virtue of the Act, from personal income taxes of the State of New York and its political subdivisions, including The City of New York and the City of Yonkers.

We have examined an executed Series 2002A Bond and, in our opinion, the form of said Bond and its 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 2002A Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally or as to the availability of any particular remedy. Except as stated in paragraphs 5 and 6 above, we express no opinion as to any other federal or state tax consequences of the ownership or disposition of the Series 2002A Bonds. Furthermore, we express no opinion as to any federal, state or local tax law consequences with respect to the Series 2002A Bonds, or the interest thereon, if any action is taken with respect to Series 2002A Bonds or the proceeds thereof upon the advice or approval of other counsel.

In connection with the delivery of this opinion, we are not passing upon the authorization, execution and delivery of the Loan Agreement by the University. We have assumed the due authorization, execution and delivery of the Loan Agreement by the University.

Very truly yours,

Nixon Peabody LLP

NIXON PEABODY LLP
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June 2, 2005

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

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of $65,000,000 aggregate principal amount of The Rockefeller University Revenue Bonds, Series 2005A (the "Series 2005A Bonds") by the Dormitory Authority of the State of New York (the "Authority"), a body corporate and politic constituting a public benefit corporation of the State New York, created and existing under and pursuant to the Constitution and statutes of the State New York, including the Dormitory Authority Act, being Title 4 of Article 8 of the Public Authorities Law of the State of New York, as amended to the date hereof, including, without limitation, by the Healthcare Financing Consolidation Act, being Title 4-B of the Public Authorities Law of the State of New York, as amended to the date hereof (the "Act"). We have also examined such certificates, documents, records and matters of law as we have deemed necessary for the purpose of rendering the opinions hereinafter set forth.

The Series 2005A Bonds are issued under and pursuant to the Act, The Rockefeller University Revenue Bond Resolution of the Authority, adopted on October 31, 2001 (the "Resolution"), The Rockefeller University Series Resolution Authorizing Up to $65,000,000 Series 2005A Bonds, adopted April 27, 2005 (the "Series 2005A Resolution") and the Bond Series Certificate relating to the Series 2005A Bonds (the "2005A Bond Series Certificate). Said resolutions and 2005A Bond Series Certificate are herein collectively called the "Resolutions." Capitalized terms used but not defined herein have the respective meaning given to them in the Resolutions.

The Series 2005A Bonds are part of an issue of bonds of the Authority (the "Bonds"), which the Authority has established and created under the terms of the Resolution and is authorized to issue from time to time for the purposes authorized by the Act and the Resolution, as then in effect, and without limitation as to amount, except as provided in the Resolutions or as may be limited by law. The Series 2005A Bonds were issued for the purposes set forth in the Resolutions.

The Authority is authorized to issue Bonds, in addition to the Series 2005A Bonds, only upon the terms and conditions set forth in the Resolution and such Bonds, when issued, will with all other Bonds which have been or may be issued, be entitled to the equal benefit, protection and security of the provisions, covenants and agreements of the Resolution.

The Series 2005A Bonds are dated the date hereof and mature on July 1, 2035. The Series 2005A Bonds will be issued in the aggregate principal amount of $65,000,000 and will be issued initially as Variable Rate Bonds in the Auction Rate Mode. The Series 2005A Bonds will remain in the Auction Rate Mode unless and until converted to bear interest in a different Rate Mode.

The Series 2005A Bonds are issuable in the form of fully registered bonds in denominations of $25,000 or any greater integral multiple thereof. The Series 2005A Bonds are numbered consecutively from one upward in order of issuance.

The Series 2005A Bonds are subject to redemption prior to maturity as provided in the Resolutions and in the Bond Series Certificate.

The Series 2005A Bonds are being issued to finance a loan by the Authority to The Rockefeller University (the "University"). The Authority and the University have entered into a Loan Agreement, dated as of October 31, 2001 (the "Loan Agreement"), by which the University is required to make payments sufficient to pay, when due, the principal and Redemption Price of and interest on the Outstanding Bonds, including the Series 2005A Bonds, as well as a part of the Authority's annual administrative expenditures and costs. All amounts payable under the Loan Agreement for payment of the principal or Redemption Price of or interest on the Bonds are required to be paid to the Trustee under the Resolution and have been pledged by the Authority for the benefit of the Holders of Outstanding Bonds, including the Series 2005A Bonds.

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 2005A Bonds thereunder.

2. The Series 2005A Resolution has been duly adopted by the Authority in accordance with the provisions of the Resolution and is authorized and permitted by the Resolution. The Resolutions have been duly and lawfully adopted by the Authority, 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 2005A 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 2005A 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, together with all other Bonds issued under the Resolution, to the equal benefits of the Resolutions and the Act.

4. The Authority has the right and lawful authority and power to enter into the Loan Agreement and the Loan Agreement has been duly authorized, executed and delivered by the Authority and constitutes a legal, valid and binding obligation of the Authority enforceable in accordance with its terms.

5. The Internal Revenue Code of 1986, as amended (the "Code") sets forth certain requirements that must be met subsequent to the issuance and delivery of the Series 2005A Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Series 2005A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Series 2005A Bonds. The Authority has covenanted in the Series 2005A Resolution and the Tax Certificate as to Arbitrage and the Provisions of Sections 141-150 of the Internal Revenue Code (the "Tax Certificate") and the University has covenanted in the Loan Agreement and the Tax Certificate to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Series 2005A Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, the Authority and the University have made certain representations and certifications in the Tax Certificate. We have also relied on the opinion of counsel to the University as to all matters concerning the status of the University as an organization described in Section 501(c)(3) of the Code and exempt from federal income tax under Section 501(a) of the Code. We have not independently verified the accuracy of those certifications and representations or that opinion.

Under existing law, assuming compliance with the tax covenants described above, and the accuracy of certain representations and certifications made by the Authority and the University described above, interest on the Series 2005A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. We are also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code with respect to individuals and corporations. Interest on the Series 2005A Bonds is, however, included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax imposed on such corporations.

6. Interest on the Series 2005A Bonds is exempt, by virtue of the Act, from personal income taxes of the State of New York and its political subdivisions, including The City of New York and the City of Yonkers.

We have examined an executed Series 2005A Bond and, in our opinion, the form of said Bond and its 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 2005A Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally or as to the availability of any particular remedy. Except as stated in paragraphs 5 and 6 above, we express no opinion as to any other federal or state tax consequences of the ownership or disposition of the Series 2005A Bonds. Furthermore, we express no opinion as to any federal, state or local tax law consequences with respect to the Series 2005A Bonds, or the interest thereon, if any action is taken with respect to Series 2005A Bonds or the proceeds thereof upon the advice or approval of other counsel.

In connection with the delivery of this opinion, we are not passing upon the authorization, execution and delivery of the Loan Agreement by the University. We have assumed the due authorization, execution and delivery of the Loan Agreement by the University.

Very truly yours,

Nixon Peabody LLP

THE BANK

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JPMORGAN CHASE BANK, NATIONAL ASSOCIATION

JPMorgan Chase Bank, National Association ("the Bank") is a wholly owned bank subsidiary of JPMorgan Chase & Co., a Delaware corporation whose principal office is located in New York, New York. The Bank offers a wide range of banking services to its customers, both domestically and internationally. It is chartered and its business is subject to examination and regulation by the Office of the Comptroller of the Currency.

As of June 30th, 2009, JPMorgan Chase Bank, National Association, had total assets of $1,664 billion, total net loans of $567.8 billion, total deposits of $974.5 billion, and total stockholder's equity of $132.1 billion. These figures are extracted from the Bank's unaudited Consolidated Reports of Condition and Income (the "Call Report") as at June 30th, 2009, prepared in accordance with regulatory instructions that do not in all cases follow U.S. generally accepted accounting principles, which are filed with the Federal Deposit Insurance Corporation. The Call Report, including any update to the above quarterly figures, can be found at www.fdic.gov.

Additional information, including the most recent annual report on Form 10-K for the year ended December 31, 2008, of JPMorgan Chase & Co., the 2008 Annual Report of JPMorgan Chase & Co., and additional annual, quarterly and current reports filed with or furnished to the Securities and Exchange Commission (the "SEC") by JPMorgan Chase & Co., as they become available, may be obtained without charge by each person to whom this Official Statement is delivered upon the written request of any such person to the Office of the Secretary, JPMorgan Chase & Co., 270 Park Avenue, New York, New York 10017 or at the SEC's website at www.sec.gov.

The information contained in this Appendix relates to and has been obtained from the Bank. The delivery of the Official Statement shall not create any implication that there has been no change in the affairs of the Bank since the date hereof, or that the information contained or referred to in this Appendix is correct as of any time subsequent to its date.

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