



\$13,135,000	\$30,500,000
DORMITORY AUTHORITY OF THE STATE OF NEW YORK WAGNER COLLEGE REVENUE BONDS, SERIES 1998 CUSIP No.: 649838ZM4	DORMITORY AUTHORITY OF THE STATE OF NEW YORK WAGNER COLLEGE REVENUE BONDS, SERIES 2009 CUSIP No.: 6499037Q8
Dated: Series 1998 Bonds – Date of Original Issuance	Due: July 1, 2028
Series 2009 Bonds – Date of Delivery	Due: July 1, 2038

The purpose of this Official Statement is to set forth information in connection with (i) the reoffering of the Wagner College Revenue Bonds, Series 1998 (the "Series 1998 Bonds"), and (ii) the issuance of the Wagner College Revenue Bonds, Series 2009 (the "Series 2009 Bonds") in the Weekly Mode. The Series 1998 Bonds, the Series 2009 Bonds and any Additional Bonds, are referred to collectively as the "Bonds".

Payment and Security: The Series 2009 Bonds are special obligations of the Dormitory Authority of the State of New York (the "Authority") payable solely from certain payments to be made by the Bank under the 2009 Letter of Credit (as hereinafter defined) and, if such amounts are insufficient, the Revenues (as hereinafter defined), and are secured equally and ratably with the Series 1998 Bonds by a pledge of (i) certain payments to be made under the Loan Agreement (the "Loan Agreement"), originally dated as of April 29, 1998 and amended and restated as of September 24, 2008, by and between Wagner College (the "College" or the "Institution") and the Authority, and (ii) all funds and accounts (except the Arbitrage Rebate Fund, any fund or account established for the payment of the purchase price of Option Bonds (as hereinafter defined) tendered for purchase and the accounts in the Debt Service Reserve Fund with respect to the Series 1998 Bonds and any Series of Additional Bonds and the Credit Facility Accounts of the Debt Service Fund) originally established under the Authority's Wagner College Revenue Bond Resolution, adopted April 29, 1998 (the "General Resolution") as amended and restated by the Authority's Wagner College Supplemental Resolution, adopted September 24, 2008 (together, with the General Resolution, as amended and restated, the "Resolution"), the Authority's Wagner College Series 2009 Resolution, adopted on September 24, 2008, authorizing such Series 2009 Bonds (the "Series 2009 Resolution") and the Authority's Bond Series Certificate, dated as of January 27, 2009 (the "2009 Bond Series Certificate").

The Series 1998 Bonds are special obligations of the Authority payable solely from certain payments to be made by the Bank under the 1998 Letter of Credit (as hereinafter defined) and, if such amounts are insufficient, the Revenues and are secured equally and ratably with the Series 2009 Bonds by a pledge of (i) certain payments to be made under the Loan Agreement, and (ii) all funds and accounts (except the Arbitrage Rebate Fund, any fund or account established for the payment of the purchase price of Option Bonds tendered for purchase and the accounts in the Debt Service Reserve Fund established with respect to the Series 2009 Bonds and any Series of Additional Bonds and the Credit Facility Accounts of the Debt Service Fund) originally established under the Resolution, the Authority's Wagner College Series 1998 Resolution, adopted April 29, 1998 authorizing such Series 1998 Bonds, as amended and restated by the Authority's Supplemental Series Resolution adopted on September 24, 2008 (as amended and restated the "Series 1998 Resolution"), and the Authority's Bond Series Certificate, dated as of July 24, 1998 as amended and restated by the Authority's Amended and Restated Bond Series Certificate dated as of January 27, 2009 (as so amended and restated, the "1998 Bond Series Certificate").

Principal, Sinking Fund Installments, Redemption Price and Purchase Price of, and interest on the Series 1998 Bonds and the Series 2009 Bonds will be payable from amounts drawn under separate irrevocable direct pay Letters of Credit (each a "Letter of Credit"; and, collectively, the "Letters of Credit") issued by TD Bank, N.A.



(the "Bank") with respect to each Series of Bonds and held by The Bank of New York Mellon, as trustee and tender agent (the "Trustee"). Each Letter of Credit provides for payment of an amount not to exceed the principal of and up to thirty-five (35) days' interest on the Bonds, at a maximum rate of 12% per annum with respect to the Series 2009 Bonds and 10% per annum with respect to the Series 1998 Bonds, and the Purchase Price of the Bonds tendered for purchase and not remarketed as described herein. Each Letter of Credit will expire on January 28, 2014 and upon any such expiration, there is no requirement that the Bank treat each Letter of Credit in the same manner, thus either Letter of Credit or both Letters of Credit will expire at such time unless either terminated or extended prior to such date, in accordance with their respective terms. The College and the Bank will enter into a Loan, Letter of Credit and Reimbursement Agreement, dated as of January 1, 2009 (the "Reimbursement Agreement"), providing for a certain term loan and reimbursement to the Bank of amounts drawn under each Letter of Credit. The Letter of Credit issued with respect to the Series 1998 Bonds is referred to herein as the "1998 Letter of Credit" and the Letter of Credit issued with respect to the Series 2009 Bonds is referred to herein as the "2009 Letter of Credit". See "PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE BONDS – The Letters of Credit."

The Bonds will not be a debt of the State of New York (the "State") and the State will not be liable on the Bonds. The Authority has no taxing power.

Description: The Series 2009 Bonds will be issued initially as, and the Series 1998 Bonds are currently, fully registered Variable Interest Rate Bonds in denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof payable at the principal corporate trust office of the Trustee. The Series 2009 Bonds will initially bear interest from their date of delivery at the Weekly Rate. The Series 1998 Bonds will bear interest from their date of reoffering at the Weekly Rate. Interest on the Bonds is payable on March 2, 2009 and thereafter on the first Business Day of each month for as long as the Bonds bear interest at the Weekly Rate. **This Official Statement describes the terms of the Bonds only in the Weekly Mode.**

TD Securities (USA) LLC is the remarketing agent for the Series 2009 Bonds and the substitute remarketing agent for the Series 1998 Bonds (the "Remarketing Agent").

The Series 2009 Bonds will be issued initially, and the Series 1998 Bonds are currently, 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 Bonds will be made in Book-Entry form (without certificates). So long as DTC or its nominee is the registered owner of the Bonds, payments of the principal, Sinking Fund Installments, Redemption Price and Purchase Price of and interest on such Bonds will be made directly to DTC or its nominee. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursement of such payments to the beneficial owners is the responsibility of DTC participants. See "PART 3 – THE BONDS – Book-Entry Only System" herein.

Optional and Mandatory Tender and Redemption: The Bonds are subject to optional and mandatory tender for purchase and to redemption prior to maturity as more fully described herein.

Tax Exemption: In the opinion of Bond Counsel, under existing law and assuming compliance with the tax covenants described herein, interest on the Series 2009 Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. Such interest is, however, taken into account in determining adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax imposed on such corporations. Bond Counsel is further of the opinion that interest on the Series 2009 Bonds is exempt under existing laws from personal income taxes imposed by New York State or any political subdivision thereof (including The City of New York and the City of Yonkers). See "PART 12 - TAX MATTERS – The Series 2009 Bonds" herein.

On the date of original issuance of the Series 1998 Bonds, legal opinions were delivered with respect to the legality and tax status of the Series 1998 Bonds by Hawkins Delafield and Wood LLP, New York, New York. See "PART 12 – TAX MATTERS – The Series 1998 Bonds".

The Series 2009 Bonds are offered when, as, and if issued and received by the Underwriter. The offer of the Series 2009 Bonds may be subject to prior sale, or withdrawn or modified at any time without notice. The offer is subject to the approval of legality by Hiscock & Barclay, LLP, Albany, New York, Bond Counsel, and to certain other conditions. The Series 1998 Bonds are reoffered when and as tendered by the existing holders thereof and received by the Remarketing Agent, subject to prior sale, to withdrawal or modification of the reoffer without notice and to certain other conditions. Certain legal matters will be passed upon for the College by its counsels, Russo, Scamardella & D'Amato, P.C., Staten Island, New York and Hawkins Delafield & Wood LLP, New York, New York. Certain legal matters will be passed upon for the Underwriter by its counsel, Nixon Peabody LLP, Rochester, New York. Certain legal matters will be passed upon for the Bank by its counsel, Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey. The Authority expects to deliver the Series 2009 Bonds and reoffer the Series 1998 Bonds in definitive form in New York, New York, on or about January 28, 2009.



No dealer, broker, salesperson or other person has been authorized by the Authority, the Bank, the College or TD Securities (USA) LLC, as underwriter for the Series 2009 Bonds and remarketing agent for the Series 1998 Bonds (the "Underwriter") to give any information or to make any representations with respect to the Bonds, other than the information and representations contained in this Official Statement. If given or made, any such information or representations must not be relied upon as having been authorized by the Authority, the Bank, the College or the Underwriter.

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

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

The College has reviewed the parts of this Official Statement describing the College, the Principal and Interest Requirements, the Series 2009 Project, the Estimated Sources and Uses of Funds and Appendix B. As a condition to delivery of the Series 2009 Bonds and the reoffering of the Series 1998 Bonds, the College will certify that as of the date of this Official Statement, and of delivery of the Series 2009 Bonds and the reoffering of the Series 1998 Bonds, that such parts do not contain any untrue statements of a material fact and do not omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which the statements are made, not misleading. The College makes no representation as to the accuracy or completeness of any other information included in this Official Statement.

Other than with respect to information concerning the Bank hereto contained under the caption "PART 1 – INTRODUCTION – The Letters of Credit," "PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE BONDS – The Letter of Credit," "– Reduction and Reinstatement of a Letter of Credit" and "– The Reimbursement Agreement" and in "PART 4 – THE BANK" and in Appendix E herein, none of the information in this Official Statement has been supplied or verified by the Bank, and the Bank makes no representation or warranty, express or implied, as to (i) the accuracy or completeness of such information; (ii) the validity of the Bonds; or (iii) the tax status of the interest on the Bonds.

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

References in this Official Statement to the Act, the Resolution, the Series 1998 Resolution, the Series 2009 Resolution, the 1998 Bond Series Certificate, the 2009 Bond Series Certificate, the Loan Agreement, the Mortgages, the Intercreditor Agreement, the Assignment Agreements, the Reimbursement Agreement and each Letter of Credit do not purport to be complete. Refer to the Act, the Resolution, the Series 2009 Resolution, the 1998 Bond Series Certificate, the 2009 Bond Series Certificate, the Loan Agreement, the Mortgages, the Intercreditor Agreement, the Assignment Agreements, the Reimbursement Agreement and each Letter of Credit for full and complete details of their provisions. Copies of the Resolution, the Series 2009 Resolution, the 1998 Bond Series Certificate, the 2009 Bond Series Certificate, the Loan Agreement, the Mortgages, the Intercreditor Agreement, the Assignment Agreements, the Reimbursement Agreement, and each Letter of Credit are on file with the Authority and the Trustee.

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

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

IN CONNECTION WITH THE OFFERING OF THE SERIES 2009 BONDS AND THE REOFFERING OF THE SERIES 1998 BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE RESOLUTION HAS NOT BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF LAWS OF THE

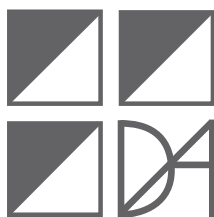
STATES IN WHICH BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

CUSIP data contained herein is provided by Standard & Poor's, CUSIP Service Bureau, a division of the McGraw-Hill Companies, Inc. The CUSIP numbers indicated have been assigned by an independent company not affiliated with the Authority and are provided solely for the convenience of the holders of the Bonds at the time of issuance of the Series 2009 Bonds and the reoffering of the Series 1998 Bonds. No representations are made with respect to such numbers nor does any party undertake any responsibility for the accuracy of the CUSIP numbers now or at any time in the future. The Authority is not responsible for the selection or uses of the CUSIP numbers, and no representation is made as to the correctness of the CUSIP numbers on the Bonds or as shown on the cover page of this Official Statement.

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

515 BROADWAY, ALBANY, N.Y. 12207
GAIL H. GORDON, ESQ. – CHAIR

OFFICIAL STATEMENT RELATING TO

\$13,135,000
DORMITORY AUTHORITY OF THE STATE OF NEW YORK
WAGNER COLLEGE
REVENUE BONDS, SERIES 1998

\$30,500,000
DORMITORY AUTHORITY OF THE STATE OF NEW YORK
WAGNER COLLEGE
REVENUE BONDS, SERIES 2009

PART 1 — INTRODUCTION

Purpose of the Official Statement

The purpose of this Official Statement, including the cover page and appendices, is to provide information about the Dormitory Authority of the State of New York (the “Authority”), TD Bank, N.A. (the “Bank”) and Wagner College (the “College” or the “Institution”), in connection with the offering by the Authority of \$30,500,000 aggregate principal amount of its Wagner College Revenue Bonds, Series 2009 (the “Series 2009 Bonds”) and the reoffering of the Authority’s \$13,135,000 Wagner College Revenue Bonds, Series 1998 (the “Series 1998 Bonds”, and, together with the Series 2009 Bonds and any Additional Bonds, the “Bonds”).

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

Purpose of the Bonds

The Series 2009 Bonds are being issued for the purpose of providing funds which will be used for (i) the financing or refinancing of the construction and equipping of a new approximately 200 bed student dormitory and an approximately 36 space adjacent surface parking lot to be located at One Campus Road, Staten Island, New York, (ii) the payment of a portion of the interest on the Series 2009 Bonds, (iii) the making of a deposit to the Debt Service Reserve Fund and (iv) the payment of the Costs of Issuance of the Series 2009 Bonds. See “PART 5 — THE SERIES 2009 PROJECT” and “PART 7 — ESTIMATED SOURCES AND USES OF FUNDS.”

The Series 1998 Bonds, which were used to (i) refund of a portion of the Wagner College Taxable Bonds, Series 1992 and pay a portion of the interest on the Series 1998 Bonds, (ii) make a deposit to the Debt Service Reserve Fund and (iii) pay a portion of the Costs of Issuance of the Series 1998 Bonds, are being reoffered due to the College’s replacement of the Letter of Credit currently securing the Series 1998 Bonds with the 1998 Letter of Credit to be issued by the Bank.

Authorization of Issuance

The Authority’s Wagner College Revenue Bond Resolution, adopted April 29, 1998 (the “General Resolution”) as amended and restated in accordance with the Authority’s Supplemental Resolution, adopted September 24, 2008 (together, with the General Resolution, as amended and restated, the “Resolution”) authorizes the issuance of Bonds pursuant to separate Series Resolutions (as defined below) for the benefit of the College. The Series 1998 Bonds originally issued in an aggregate principal amount of \$16,600,000 were issued pursuant to the Act, the Resolution, the Wagner College Series 1998 Resolution, adopted April 29, 1998 as amended and restated by the Authority’s Supplemental Series Resolution

adopted on September 24, 2008 (as amended and restated, the “Series 1998 Resolution”), and the Authority’s Bond Series Certificate, dated as of July 24, 1998 as amended and restated by the Authority’s Amended and Restated Bond Series Certificate dated as of January 27, 2009 (as amended and restated, the “1998 Bond Series Certificate”). The Series 2009 Bonds will be issued pursuant to the Act, the Resolution, the Series Resolution adopted by the Authority on September 24, 2008 (the “Series 2009 Resolution”; and, together with the Series 1998 Resolution, the “Series Resolutions”) and the Bond Series Certificate executed by the Authority on January 27, 2009 (the “2009 Bond Series Certificate”).

The Series 2009 Bonds are the second Series of Bonds to be issued under the Resolution. As a condition to the issuance of the Series 2009 Bonds, the Series 1998 Bonds must be reoffered simultaneously with the issuance of the Series 2009 Bonds and the College must obtain the Bank Loan (as defined below). In addition to the Series 1998 Bonds and the Series 2009 Bonds, the Resolution authorizes the issuance of other Series of Bonds (i) to pay Costs of Projects, (ii) to make deposits to the Debt Service Reserve Fund, if any, (iii) to fund or refund Bonds or other notes and bonds of the Authority, which may include interest thereon, all or a portion of the proceeds of which were applied to make a loan to the College, (iv) to pay the Costs of Issuance of such Series of Bonds, and (v) to exchange Bonds of a Series for bonds, notes or other evidences of indebtedness of the College or otherwise to refund or refinance such indebtedness. All Bonds issued under the Resolution will rank on a parity with each other and will be secured equally and ratably with each other except as otherwise provided in the Resolution and described below. There is no limit on the amount of additional Bonds that may be issued under the Resolution. See “PART 3 — THE BONDS.”

College’s Refinancing of Previously Issued Taxable Bonds

Concurrently with the issuance by the Authority of the Series 2009 Bonds, the College will obtain a variable rate term loan in the principal amount not to exceed \$25,000,000 from the Bank (the “Bank Loan”) to refinance the outstanding aggregate principal amount of Wagner College Taxable Bonds (1998 Issue) (the “Taxable Bonds”) issued by the College in 1998 pursuant to a private placement and intends to enter into a swap agreement with respect to the Bank Loan (the “Hedge Agreement”, and, together with the Bank Loan, collectively, the “Bank Credit Facilities”). The Loan Agreement will be secured on a parity basis with the Bank Credit Facilities with respect to the security interest in the Gross Receipts. The Bank Credit Facilities and the Loan Agreement will be secured by mortgages encumbering the College campus and, in the event of a foreclosure of any such mortgage, such foreclosure proceeds will be shared on a pro rata basis. See “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE BONDS – The Intercreditor Agreement”, and “PART 6 – COLLEGE’S REFINANCING OF PREVIOUSLY ISSUED TAXABLE BONDS.”

The Bonds

The Series 2009 Bonds will be dated the date of their initial delivery, will bear interest from that date and will mature, subject to prior redemption or tender for purchase as described herein. Commencing on the date of delivery, the Series 2009 Bonds will bear interest in the Weekly Mode until the Series 2009 Bonds are converted to another Variable Interest Rate or a Fixed Rate. Series 2009 Bonds which bear interest at a Variable Interest Rate may have interest determined daily and paid monthly (the “Daily Mode”), determined weekly and paid monthly (the “Weekly Mode”) or determined for Term Periods of at least 365 days and paid semi-annually (the “Term Mode”). The Daily Mode, the Weekly Mode and the Term Mode, collectively, when used with respect to the Series 2009 Bonds are referred to herein as the “Variable Rate Modes”. The Series 2009 Bonds may be converted to a Fixed Rate and among Variable Rate Modes, from time to time as described herein. All Series 2009 Bonds Outstanding at the time of a conversion are to be converted to the same Rate Mode. See “PART 3 — THE BONDS — The Series 2009 Bonds.”

The Series 1998 Bonds are dated the date of initial delivery thereof, bear interest from that date and mature, subject to prior redemption or tender for purchase as described herein. On the date of reoffering of the Series 1998 Bonds, the Series 1998 Bonds will continue to bear interest in the Weekly Mode until the Series 1998 Bonds are converted to another Variable Interest Rate, a Term Rate or a Fixed Rate. Series 1998 Bonds which bear interest at a Variable Interest Rate may have interest determined pursuant to the Daily Mode, the Weekly Mode or determined for Flexible Periods of up to 270 days and paid on the last day of the Flexible Period (the “Flexible Mode”). The term “Variable Rate Modes” when used in connection with the Series 1998 Bonds means, collectively, the Daily Mode, the Weekly Mode and the Flexible Mode. Generally, Series 1998 Bonds which bear interest at a Term Rate have interest determined for a term of one or more years and paid semiannually (the “Term Mode”). The Series 1998 Bonds may be converted to a Fixed Rate, between the Variable Rate Modes and the Term Mode, and among Variable Rate Modes, from time to time as described herein. All Series 1998 Bonds Outstanding at the time of a conversion are to be converted to the same Rate Mode. See “PART 3 - THE BONDS The Series 1998 Bonds.”

This Official Statement generally describes the terms of the Bonds only in the Weekly Mode.

Interest on the Bonds while in the Weekly Mode is payable on March 2, 2009 and thereafter on the first Business Day of each month.

The Bonds are subject to mandatory tender on each Conversion Date (other than with respect to a conversion from the Daily Mode to the Weekly Mode, or from the Weekly Mode to the Daily Mode) and upon the expiration of the respective Letter of Credit (as hereinafter defined), the delivery of a Substitute Credit Facility, an Event of Default under the Reimbursement Agreement (and election by the Bank to effect a mandatory tender in connection therewith) and the failure of the Bank to reinstate certain amounts under the respective Letter of Credit. While the Bonds bear interest at the Weekly Rate, Bondholders will have the right to tender the Bonds (or portion thereof under certain circumstances) as described herein. See “PART 3 — THE BONDS — The Series 2009 Bonds — Tender of the Series 2009 Bonds” and “PART 3 — THE BONDS — The Series 1998 Bonds — Tender of the Series 1998 Bonds.”

Payment of the Bonds

The Bonds are special obligations of the Authority payable solely from certain payments to be made by the Bank under the respective Letter of Credit and, if such amounts are insufficient, the Revenues, which consist of certain payments to be made by the College under the Loan Agreement. See “PART 2 — SOURCE OF PAYMENT AND SECURITY FOR THE BONDS — Payment of the Bonds” and “— The Intercreditor Agreement.”

Security for the Bonds

The Bonds will be secured on a parity basis with all other Outstanding Bonds under the Resolution by the pledge and assignment to the Trustee of (i) the Revenues and (ii) the Authority’s security interest in the Gross Receipts granted by the College under the Loan Agreement, subject to the Prior Pledges and on a parity with the pledge of Gross Receipts securing the Bank Credit Facilities pursuant to the terms of the Intercreditor Agreement and the Assignment Agreements. Each Series of Bonds will also be secured by the funds and accounts originally established under the Resolution, the applicable Series Resolution and the applicable Bond Series Certificate with respect to each Series of Bonds (with the exception of the Arbitrage Rebate Fund, any fund or account established for the payment of the purchase price of Option Bonds tendered for purchase, the accounts in the Debt Service Reserve Fund or Credit Facility Accounts in the Debt Service Fund specifically established for another Series of Bonds). With the prior approval of the Authority and the Bank, the College may incur additional indebtedness secured on a parity with respect to the security interests in the Gross Receipts securing the Series 2009 Bonds, the Series 1998 Bonds and the Bank Credit Facilities and/or the Mortgaged Property securing the Series 2009 Bonds and the Series 1998 Bonds. See “PART 2 — SOURCE OF PAYMENT AND SECURITY FOR THE BONDS — Security for the Bonds.”

The Letters of Credit

Pursuant to the Loan, Letter of Credit and Reimbursement Agreement, dated as of January 1, 2009, between the College and the Bank (the “Reimbursement Agreement”), the Bank will deliver (i) an irrevocable direct pay letter of credit (the “2009 Letter of Credit”) securing the Series 2009 Bonds, and (ii) an irrevocable direct pay letter of credit (the “1998 Letter of Credit”; and, together with the 2009 Letter of Credit, the “Letters of Credit”) securing the Series 1998 Bonds, pursuant to which the Bank will be obligated, subject to the terms and conditions of each Letter of Credit, to pay, when due, an amount not to exceed the principal of and up to thirty-five (35) days’ interest on the Series 2009 Bonds at a maximum rate of 12% and, in the case of the Series 1998 Bonds at a maximum rate of 10%, and the Purchase Price of such Bonds tendered for purchase pursuant to the Resolution and the respective Bond Series Certificate but not remarketed. See “PART 2 — SOURCE OF PAYMENT AND SECURITY FOR THE BONDS — The Letters of Credit.”

While in the Weekly Mode, the Bonds are subject to optional and mandatory tender for purchase as described herein. Pursuant to the respective Letter of Credit, the Bank will be obligated to purchase Bonds tendered for purchase and not remarketed. Each Letter of Credit will expire on January 28, 2014 and upon any such expiration, there is no requirement that the Bank treat each Letter of Credit in the same manner, thus either the 2009 Letter of Credit, the 1998 Letter of Credit or both Letters of Credit will expire at such time unless either terminated or extended prior to such date, in accordance with their respective terms. See “PART 2 — SOURCE OF PAYMENT AND SECURITY FOR THE BONDS — The Letters of Credit” and “— Reduction and Reinstatement of a Letter of Credit.”

The Mortgages

The College's obligations to the Authority under the Loan Agreement are secured by mortgages on the Mortgaged Property (the "2009 Mortgage" and the "1998 Mortgage", and collectively being referred to herein as the "Mortgages"). The Mortgages and the mortgage securing the Bank Credit Facilities will secure the obligations of the College under the Loan Agreement and the Bank Credit Facilities on an equal and ratable basis in accordance with the provisions of the Intercreditor Agreement. At the time of delivery of the Bonds, the Authority will assign the Mortgages to the Trustee and the Bank. The mortgage securing the Bank Credit Facilities shall be granted directly in favor of the Bank. Notwithstanding such assignment of the Mortgages, property subject to the Mortgages may be released, and the Mortgages may be amended with the prior written consent of the Authority and the Bank but without the consent of the Trustee or the Holders of the Bonds.

The Intercreditor Agreement

The Authority, the Bank of New York Mellon in its capacity as Trustee and the Bank have entered into an Amended and Restated Intercreditor Agreement, dated as of January 28, 2009 (the "Intercreditor Agreement") which establishes the priority of certain rights, remedies and options available to said parties under the various documents entered into in connection with the issuance of the Series 2009 Bonds, the Bank Credit Facilities and the reoffering of the Series 1998 Bonds. See "PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE BONDS – The Intercreditor Agreement."

The College

The College is an independent, not-for-profit institution of higher education chartered by the Regents of the University of the State of New York. The College's campus is located in Staten Island, New York. See "PART 8 — THE COLLEGE" and "Appendix B — Financial Statements of Wagner College and Independent Auditors' Report."

The Authority

The Authority is a public benefit corporation of the State, created for the purpose of financing and constructing a variety of public-purpose facilities for certain educational, healthcare, governmental and not-for-profit institutions. See "PART 9 — THE AUTHORITY."

PART 2 — SOURCE OF PAYMENT AND SECURITY FOR THE BONDS

Set forth below is a narrative description of certain contractual provisions relating to the source of payment of and security for the 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 Series 1998 Resolution, the 1998 Bond Series Certificate, the Series 2009 Resolution, the 2009 Bond Series Certificate, the Mortgages, the Assignment Agreements, the Reimbursement Agreement, the Letters of Credit and the Intercreditor Agreement. Copies of the Loan Agreement, the Resolution, the Series 1998 Resolution, the 1998 Bond Series Certificate, the Series 2009 Resolution, the 2009 Bond Series Certificate, the Mortgages, the Assignment Agreements, the Reimbursement Agreement, the Letters of Credit and the Intercreditor Agreement are on file with the Authority and the Trustee. See also "Appendix C — Summary of Certain Provisions of the Loan Agreement," "Appendix D — Summary of Certain Provisions of the Resolution, the Series Resolutions and the Bond Series Certificates" and "Appendix E — Summary of Certain Provisions of the Reimbursement Agreement" for a summary statement of certain rights, duties and obligations of the parties thereto.

Payment of the Bonds

The Bonds will be special obligations of the Authority payable from proceeds received by the Trustee from drawings under the respective Letter of Credit and, if such amounts are insufficient, the Revenues and the funds and accounts established by the Resolution (except as otherwise set forth in the Resolution).

Payments of principal and interest on the Bonds are expected to be made to the Holders of the Bonds from funds drawn under the respective Letter of Credit and, in the case of the Purchase Price of tendered Bonds, from remarketing proceeds or, if remarketing proceeds are insufficient, from funds drawn on the respective Letter of Credit as described herein.

The Loan Agreement is a general obligation of the College. The Loan Agreement obligates the College to make payments to satisfy the principal and Redemption Price of and interest on Outstanding Series 1998 Bonds and Series 2009 Bonds. While the Bonds bear interest at the Weekly Rate, the College will make monthly payments equal to the amount of the interest coming due on the next succeeding interest payment date and will make semi-annual principal payments in the amount of the principal and Sinking Fund Installments coming due on the next succeeding July 1 and January 1. The Loan Agreement also obligates the College to pay, at least forty-five (45) days prior to an optional or mandatory redemption date or purchase date of Bonds called for redemption (except for mandatory sinking fund redemption) or contracted to be purchased, with certain exceptions, the amount, if any, required to pay the Redemption Price or purchase price of such Bonds. See “PART 3 — THE BONDS — The Series 2009 Bonds — Redemption and Purchase in Lieu of Redemption” and “PART 3 — THE BONDS — The Series 1998 Bonds — Redemption and Purchase in Lieu of Redemption.”

The Authority has directed the College, and the College has agreed, to make such payments directly to the Trustee. Such payments are to be applied by the Trustee to repay the Bank with respect to draws under the Letters of Credit or, if such amounts drawn under the respective Letter of Credit are insufficient to pay Bondholders, to pay the principal, Sinking Fund Installments, Purchase Price and Redemption Price of and interest on the applicable Series of Bonds.

Security for the Bonds

The Bonds will be secured on a parity basis with all other Outstanding Bonds under the Resolution by the pledge and assignment to the Trustee of (i) the Revenues and (ii) the Authority’s security interest in the Gross Receipts granted by the College under the Loan Agreement, subject to the Prior Pledges, the Assignment Agreements and the Intercreditor Agreement. In accordance with the terms of the Intercreditor Agreement, the security interest in the Gross Receipts is on a parity with the security interest in such Gross Receipts securing the Bank Credit Facilities. The Bonds will also be secured by the payments described above to be made under the respective Letter of Credit, the Revenues and all funds and accounts established under the Resolution (with the exception of the Arbitrage Rebate Fund, any fund or account established for the payment of the purchase price of Option Bonds tendered for purchase, the accounts in the Debt Service Reserve Fund or Credit Facility Accounts in the Debt Service Fund established with respect to other Series of Bonds). The Revenues and the right to receive them have been pledged to the Trustee for the benefit of the Bank and the Holders of the Bonds. At the time of reoffering of the Series 1998 Bonds, an amount equal to the Debt Service Reserve Fund Requirement applicable to the Series 1998 Bonds will be on deposit in an account established in the Debt Service Reserve Fund for the benefit of the Holders of the Series 1998 Bonds. At the time of delivery of the Series 2009 Bonds, a portion of the proceeds of the Series 2009 Bonds will be used to fund an account established in the Debt Service Reserve Fund for the benefit of the Holders of the Series 2009 Bonds in an amount equal to the Debt Service Reserve Fund Requirement applicable to the Series 2009 Bonds and a portion of such proceeds will be used to pay a portion of the interest on the Series 2009 Bonds. See “Appendix D – Summary of Certain Provisions of the Resolution, the Series Resolutions and the Bond Series Certificates.”

The Mortgages

The College’s obligations to the Authority under the Loan Agreement are secured by the Mortgages on the Mortgaged Property. The Mortgages and the mortgage securing the Bank Credit Facilities will secure the obligations of the College under the Loan Agreement and the Bank Credit Facilities, respectively, on an equal and ratable basis in accordance with the provisions of the Intercreditor Agreement. At the time of delivery of the Bonds, the Authority will assign the Mortgages to the Trustee and the Bank. The mortgage securing the Bank Credit Facilities shall be granted directly in favor of the Bank. Notwithstanding such assignment of the Mortgages, property subject to the Mortgages may be released, and the Mortgages may be amended with the prior written consent of the Authority and the Bank but without the consent of the Trustee or the Holders of the Bonds. The rights of the Trustee and the Bank to exercise certain of their rights under the Mortgages and the mortgage securing the Bank Credit Facilities are subject to the Intercreditor Agreement and the Assignment Agreements.

Loan Agreement

In addition, in order to secure the obligations of the Authority under the Resolution and to secure the payment of all amounts due and owing by the Authority to the Holders of the Bonds, the Authority will assign to the Trustee and the Bank all of its right, title and interest in the Loan Agreement (subject to certain reserved rights of the Authority), including the Authority’s security interest in Gross Receipts, subject to Prior Pledges. The Prior Pledges consist of pledges of the College’s Gross Receipts to secure its obligations in connection with the Wagner College Consolidation and Construction Bonds of 1962, Series B maturing October 1, 2012, of which \$650,000 remains outstanding.

Assignment Agreements

The respective rights and remedies of the Authority, the Trustee and the Bank under the Loan Agreement and the Mortgages are controlled by the terms of the Assignment Agreements among the Authority, the Trustee and the Bank and subject to the Intercreditor Agreement. Pursuant to the Assignment Agreements, the Authority will, upon issuance of the Series 2009 Bonds and reoffering of the Series 1998 Bonds, assign to the Trustee and the Bank the Authority's rights under the Loan Agreement (other than certain reserved rights of the Authority) and under the Mortgages. The Assignment Agreements provides that so long as either of the respective Letters of Credit is in effect and the Bank is not default of its payment obligations under the Letters of Credit, the Bank shall have the sole right to grant any approval, consent or waiver required and sole control of remedies under the Loan Agreement (other than with respect to the Authority's reserved rights) and under the Mortgages.

Debt Service Reserve Fund

The Series 2009 Resolution establishes an account in the Debt Service Reserve Fund for the benefit of the Holders of the Series 2009 Bonds to be funded at the time of the delivery of the Series 2009 Bonds. Such account in the Debt Service Reserve Fund is to be funded in an amount equal to the Debt Service Reserve Fund Requirement applicable to Series 2009 Bonds. The amount on deposit in such account of the Debt Service Reserve Fund is equal to \$1,085,575.80. At the time of reoffering of the Series 1998 Bonds, an amount equal to \$562,918.79, the Debt Service Reserve Fund Requirement applicable to the Series 1998 Bonds, will be on deposit in an account established in the Debt Service Reserve Fund for the benefit of Holders of the Series 1998 Bonds. The Debt Service Reserve Fund will be held by the Trustee and will be applied solely for the purposes specified in the Resolution and each account therein is pledged to secure the payment of the Principal, Sinking Fund Installments and Redemption Price, if any, on the applicable Series of Bonds. Any payments to be made by the College to restore the Debt Service Reserve Fund are to be made directly to the Trustee for deposit into the applicable account of the Debt Service Reserve Fund. See "Appendix D – Summary of Certain Provisions of the Resolution, the Series Resolutions and the Bond Series Certificates."

Moneys held for the credit of the Debt Service Reserve Fund will be withdrawn by the Trustee from the applicable account therein and deposited to the credit of the Debt Service Fund on the fourth Business Day preceding any interest payment date or any payment date on which principal or a Sinking Fund Installments becomes due for the applicable Series of Bonds, when the amount on deposit in such Debt Service Fund is less than the amount required for payment of the interest on and the principal and Sinking Fund Installments of the respective Series of Outstanding Bonds due and payable on such interest payment date or payment date. The Resolution requires that the College restore the Debt Service Reserve Fund to its requirement by paying the amount of any deficiency to the Trustee as soon as practicable but in no event later than five (5) days after receiving notice of a deficiency. Moneys in the Debt Service Reserve Fund in excess of the Debt Service Reserve Fund Requirement may be withdrawn and applied in accordance with the Resolution. See "Appendix D – Summary of Certain Provisions of the Resolution, the Series Resolutions and the Bond Series Certificate."

In lieu of or in substitution for Permitted Investments, the Authority may deposit or cause to be deposited with the Trustee a Reserve Fund Facility for the benefit of the Holders of a Series of Bonds. See "Appendix D – Summary of Certain Provisions of the Resolution, the Series Resolutions and the Bond Series Certificates."

The Intercreditor Agreement

The Intercreditor Agreement governs the ability of the parties thereto to exercise foreclosure and other remedies under the Mortgages, the Loan Agreement, the Bank Credit Facilities and the mortgage securing the Bank Credit Facilities. Pursuant to the Intercreditor Agreement, (i) the Loan Agreement will be secured on a parity basis with the Bank Credit Facilities with respect to the security interest in the Gross Receipts, and (ii) the Loan Agreement will share on a pro rata basis in the proceeds of a foreclosure on the mortgage liens granted to the Authority and the Bank by the College pursuant to the Mortgages and the mortgage securing the Bank Credit Facilities. With the prior approval of the Authority and the Bank, the College may incur additional indebtedness secured on a parity with respect to the security interests in the Gross Receipts and/or the Mortgaged Property securing the Bonds and the Bank Credit Facilities.

The Letters of Credit

The following description of the Letters of Credit should not be considered a full statement thereof. Reference is hereby made to each Letter of Credit for the detailed terms and provisions thereof.

The 2009 Letter of Credit is irrevocable, and shall be issued in an original stated amount of \$30,850,959 (the “2009 Letter of Credit Commitment”), of which \$30,500,000 shall be with respect to the principal of the Series 2009 Bonds or the portion of the Purchase Price corresponding to the principal thereof, and \$350,959 shall be with respect to thirty-five (35) days of accrued interest on the Series 2009 Bonds or the portion of the Purchase Price corresponding to interest thereon, calculated at a rate of 12% per annum (using a 365 divisor).

The 1998 Letter of Credit is irrevocable, and shall be issued in an original stated amount of \$13,260,953 (the “1998 Letter of Credit Commitment”; and together with the 2009 Letter of Credit Commitment, the “Letter of Credit Commitment”), of which \$13,135,000 shall be with respect to the principal of the Series 1998 Bonds or the portion of the Purchase Price corresponding to the principal thereof, and \$125,953 shall be with respect to thirty-five (35) days of accrued interest on the Series 1998 Bonds or the portion of the Purchase Price corresponding to interest thereon, calculated at a rate of 10% per annum (using a 365 divisor).

Each Letter of Credit shall terminate automatically on the earliest of (i) the payment by the Bank of the final drawing available to be made under the applicable Letter of Credit; (ii) receipt by the Bank of the applicable Letter of Credit and a certificate signed by an officer of the Trustee, an authorized representative of the College and an authorized representative of the Authority stating that no Series 2009 Bonds or Series 1998 Bonds, as the case may be, are Outstanding and that such officer and representatives are duly authorized to sign such certificate on behalf of the College, the Trustee or the Authority, as the case may be; (iii) receipt by the Bank of the applicable Letter of Credit and a certificate signed by an officer of the Trustee, an authorized representative of the College and as an authorized representative of the Authority stating that a Substitute Letter of Credit has been accepted by the Trustee and is in effect and that such officer and representatives are duly authorized to sign such certificate on behalf of the College, the Trustee or the Authority, as the case may be; (iv) the Business Day following the Conversion Date (other than with respect to a conversion to a Weekly Mode or a Daily Mode) with respect to the Series 2009 Bonds or the Series 1998 Bonds, as the case may be; (v) the Expiration Date of the applicable Letter of Credit; or (vi) the date which is eleven (11) Business Days following receipt by the Trustee of a certificate in the form set forth in the applicable Letter of Credit, which states that an Event of Default has occurred under the Reimbursement Agreement and directs the Trustee to call a mandatory tender of the Series 2009 Bonds or the Series 1998 Bonds, as the case may be.

Reduction and Reinstatement of a Letter of Credit

Drawings may be made under the applicable Letter of Credit in order to pay the principal, Sinking Fund Installments, Purchase Price and Redemption Price of and interest on the Bonds when due and the Purchase Price, consisting of the principal amount of and accrued and unpaid interest on the Bonds tendered pursuant to the Resolution and the applicable Bond Series Certificate, to the extent remarketing proceeds are not available for such purpose (a “Remarketing Drawing”). Multiple drawings may be made under each Letter of Credit, provided that drawings shall not exceed each Letter of Credit Commitment, as each Letter of Credit Commitment may be reduced or reinstated pursuant to the applicable Letter of Credit.

The amount available under the applicable Letter of Credit for the purpose of paying interest on the Bonds (the “Interest Component”) shall be reduced in an amount equal to any draw to pay interest on the Bonds. At the close of business on the day on which payment of a drawing is made for the purpose of paying interest on the Bonds, the Interest Component shall be automatically reinstated by an amount equal to the amount of such drawing (other than a Remarketing Drawing) for the purpose of paying interest on the Bonds.

The amount available under each Letter of Credit for the purpose of paying principal on the Bonds (the “Principal Component”) shall be reduced in an amount equal to any draw to pay principal on (including the purchase price of) the Bonds. The Bank will reinstate amounts drawn under the Letter of Credit pursuant to a Remarketing Drawing, as to the Principal Component and the Interest Component, to the extent that money is received by the Bank (other than from drawings on the applicable Letter of Credit) from the Trustee reimbursing amounts drawn pertaining to such Remarketing Drawing or upon the Trustee’s certification that the Trustee is holding for the Bank’s benefit Bonds together with an amount of money equal to or greater than the amount of the principal portion of the Remarketing Drawing.

No drawing under a Letter of Credit shall be honored in an amount exceeding the amount available to be drawn under such Letter of Credit at the time of such drawing, and, pursuant to the Resolution and the applicable Bond Series Certificate, no drawing shall be made in order to pay the principal, Sinking Fund Installments, Purchase Price and

Redemption Price of or interest when due on, or the Purchase Price of, the Bonds owned by the College or pledged by the College or an Affiliate of the College as contemplated by the Reimbursement Agreement.

The Reimbursement Agreement

Each Letter or Credit is being issued pursuant to the Reimbursement Agreement, under which the College will be obligated, among other things, to reimburse the Bank, with interest, for each drawing under the applicable Letter of Credit.

The Reimbursement Agreement contains various representations, warranties and covenants of the College and establishes various events of default thereunder, including a default in connection with the Bank Credit Facilities, see “Appendix E – Summary of Certain Provisions of the Reimbursement Agreement.”

The terms of the Reimbursement Agreement and certain related documents may be modified, amended or supplemented by the Bank and the College from time to time without giving notice to or obtaining the consent of the Bondholders. Any amendment, modification or supplement to the Reimbursement Agreement may contain amendments or modifications to the covenants of the College or additional covenants of the College and these amended or modified covenants may be more or less restrictive than those in effect at the date of issuance of the Series 2009 Bonds or the reoffering of the Series 1998 Bonds. See “Appendix E — Summary of Certain Provisions of the Reimbursement Agreement.”

Substitute Credit Facility – Series 2009 Bonds

The Authority may replace the 2009 Letter of Credit with a Substitute Credit Facility upon written notice to the Bank, or the College may, at any time, at its option with the prior written consent of the Authority and upon written notice to the Bank, deliver or cause to be delivered to the Trustee a Substitute Credit Facility.

The replacement of the 2009 Letter of Credit with a Substitute Credit Facility will cause a mandatory tender of all Series 2009 Bonds. In no event shall the 2009 Letter of Credit be surrendered to the Bank upon delivery of a Substitute Credit Facility until a drawing to pay the Purchase Price of the Series 2009 Bonds tendered for purchase and not remarketed has been honored by the Bank and the Bank certifies that the College has complied with the requirements of the then-existing Reimbursement Agreement with respect to the substitution or replacement of the 2009 Letter of Credit. No such Substitute Credit Facility shall be or become effective unless it meets the requirements set forth in the 2009 Bond Series Certificate.

Substitute Letter of Credit – Series 1998 Bonds

A Substitute Letter of Credit satisfying the conditions set forth in Series 1998 Resolution may be obtained from time to time with respect to the Series 1998 Bonds. The Series 1998 Bonds will be subject to mandatory tender on the date on which the Substitute Letter of Credit is scheduled to become effective with respect to such Series 1998 Bonds, whether or not the Substitute Letter of Credit actually becomes effective on such date. On the later of (i) the day on which all draws on the prior 1998 Letter of Credit to pay the Purchase Price of Series 1998 Bonds tendered for purchase pursuant to such mandatory tender and not remarketed have been honored, or (ii) the day on which the Substitute Letter of Credit becomes effective, the Trustee will surrender the prior 1998 Letter of Credit to its issuer for cancellation. If for any reason the Substitute Letter of Credit is not issued on the proposed effective date, the 1998 Letter of Credit then in effect will not be surrendered for cancellation and will remain in effect until its termination date.

No Substitute Letter of Credit may be delivered to the Trustee unless the requirements set forth in the Series 1998 Resolution are met and a certificate of the Bank whose 1998 Letter of Credit is being replaced is delivered to the Trustee and the Authority to the effect that amounts due such Bank under the corresponding Reimbursement Agreement and any Bank Bonds that remain Outstanding have been paid in full.

Events of Default and Acceleration

The Resolution provides that an event of default will exist thereunder and under each Series Resolution if:

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

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

(c) With respect to the Bonds of any Series other than a Series of Bonds designated as federally taxable, the Authority defaults in the due and punctual performance of any tax covenants contained in the Resolution or in the Series Resolution authorizing the issuance thereof and, as a result thereof, the interest on the Bonds of such Series shall no longer be excludable from gross income under Section 103 of the Code; or

(d) The Authority defaults 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 has been given to the Authority by the Trustee, which may give such notice in its discretion and will 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 the Credit Facility Providers which have issued Credit Facilities for not less than twenty five per cent (25%) in principal amount of Outstanding Bonds, unless, if such default is not capable of being cured within thirty (30) days, the Authority has commenced to cure such default within said thirty (30) days and diligently prosecutes the cure thereof; or

(e) The Authority notifies the Trustee that an "Event of Default", as defined in the Loan Agreement, has occurred and is continuing and all sums payable by the College under the Loan Agreement have been declared to be immediately due and payable, which declaration has not been annulled; or

(f) An "event of default" provided for under the Series Resolution has occurred and is continuing.

The Resolution provides that subject to the provisions of the Intercreditor Agreement, upon the happening and continuance of any event of default specified in the preceding paragraph, other than an event of default specified in clause (c) of the preceding paragraph, then and in every such case the Trustee may, and, upon the written request of (i) the Credit Facility Providers (if a Credit Facility Default shall not have occurred and be continuing) or the Holders of not less than twenty five per centum (25%) in principal amount of the Outstanding Bonds, with the prior written consent of the Credit Facility Providers (if a Credit Facility Default shall not have occurred and be continuing) or (ii) if one or more Credit Facility Providers have deposited with the Trustee a sum sufficient to pay the principal of and interest on the Outstanding Bonds due upon the acceleration thereof, upon the request of the Credit Facility Provider or Credit Facility Providers making such deposit, shall, by a notice in writing to the Authority, declare the principal of and interest on all of the Outstanding Bonds to be due and payable immediately. At the expiration of thirty (30) days after the giving of notice of such declaration, such principal and interest will become and be immediately due and payable, anything in the Resolution or in any Series Resolution or in the Bonds to the contrary notwithstanding. In the event that a Credit Facility Provider makes any payments of principal of or interest on any Bonds pursuant to a Credit Facility and the Bonds are accelerated, such Credit Facility Provider may at any time and at its sole option, pay to the Bondholders all or such portion of amounts due under such Bonds prior to the stated maturity dates thereof. 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 Credit Facility Providers (if a Credit Facility Default shall not have occurred and be continuing) or the Holders of not less than twenty five per centum (25%) in principal amount of the Bonds not then due by their terms and then Outstanding, with the written consent of the Credit Facility Providers (if a Credit Facility Default shall not have occurred and be continuing), and by written notice to the Authority, annul such declaration and its consequences under the terms and conditions set forth in the Resolution.

The Resolution provides that the Trustee is to give notice of each event of default under the Resolution known to the Trustee to each Credit Facility Provider, each Liquidity Facility Provider and each Reserve Facility Provider as soon as practicable after knowledge of the occurrence thereof, to the Institution within five (5) days after knowledge of the occurrence thereof and to the Holders of Bonds within thirty (30) days after knowledge of the occurrence thereof, unless such event of default has been remedied or cured before the giving of such notice; provided, however, that, except in the case of default in the payment of the principal, Sinking Fund Installments or Redemption Price of, or interest on, any of the Bonds, the Trustee will be protected in withholding notice thereof to the Holders of Bonds if and so long as the Trustee in good faith determines that the withholding of such notice is in the best interests of the Holders of the Bonds.

Bank Consent Rights

If no Credit Facility Default is occurring, the Bank, and not the actual Holders of the Bonds, shall be deemed to be the Holder of the Bonds for the purpose of exercising any right or power, consenting to an amendment, modification or waiver, or requesting or directing the Trustee to take or not to take any action under the Resolution; provided, however, that the foregoing do not apply to any 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, or to 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.

Issuance of Additional Bonds

In addition to the Series 1998 Bonds and the Series 2009 Bonds, the Resolution authorizes the issuance of Additional Bonds with the consent of the Credit Facility Provider to pay the Costs of a Project, to pay the Costs of Issuance of such Series of Bonds, to make a deposit to the Debt Service Reserve Fund, if any, to fund or refund Bonds, which may include interest thereon, to fund or refund notes or bonds of the Authority, which may include interest thereon, all or a portion of the proceeds of which were applied to making a loan to the Institution, and to exchange Bonds of such Series for bonds, notes or other evidences of indebtedness of the Institution or otherwise refund or refinance such indebtedness. The principal amount of such Additional Bonds will be issued on parity with the Outstanding Bonds notwithstanding the fact that no additional security is made subject to the lien of the Mortgages and will be secured equally and ratably with any Outstanding Bonds, except with respect to any fund or account established under a series resolution, including, without limitation, the Debt Service Reserve Fund, for the benefit of the Series of Bonds authorized pursuant thereto or the issuer of any letter of credit with respect to such Bonds. Other Series of Bonds will not necessarily be secured by the Letters of Credit and need not be secured by any letter of credit. For a more complete description of the Bonds, see “Appendix D – Summary of Certain Provisions of the Resolution, the Series Resolutions and the Bond Series Certificates. There is no limit on the amount of Additional Bonds that may be issued under the Resolution, which bonds may be issued at any time after the scheduled delivery date of the Series 2009 Bonds and the reoffering date of the Series 1998 Bonds. The Series 1998 Bonds and the Series 2009 Bonds are and will be the first and second Series of Bonds issued under the Resolution, respectively.

General

The Bonds will not be a debt of the State and the State will not be liable on the Bonds. The Authority has no taxing power. The Authority has never defaulted in the timely payment of principal of or interest on its bonds or notes. See “PART 9 — THE AUTHORITY.”

PART 3 — THE BONDS

Set forth below is a narrative description of certain provisions relating to the Bonds. These provisions have been summarized and this description does not purport to be complete. Reference should be made to the Resolution, the Series 1998 Resolution, the 1998 Bond Series Certificate, the Series 2009 Resolution, the 2009 Bond Series Certificate 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, the Series Resolutions and the Bond Series Certificates” for a more complete description of certain provisions of the Bonds.

The Series 2009 Bonds

The Series 2009 Bonds will be issued pursuant to the Act, the Resolution, the Series 2009 Resolution and the 2009 Bond Series Certificate. The Series 2009 Bonds will be dated the date of their initial delivery, and will bear interest at the Weekly Rate established for the Series 2009 Bonds for each Weekly Rate Period while in the Weekly Mode until such time, if ever, as the Rate Mode for such Series 2009 Bonds is changed, as described herein. All Series 2009 Bonds must bear interest at the same Rate Mode. Under the 2009 Bond Series Certificate, the term Weekly Rate Period means a period commencing on a Wednesday of a calendar week and extending to and including the next succeeding Tuesday (or earlier Conversion Date). While in the Weekly Mode, interest on the Series 2009 Bonds is payable on March 2, 2009 and the first Business Day of each month thereafter. Interest on Series 2009 Bonds payable during the Weekly Mode shall be computed on the basis of a year of 365 or 366 days, as appropriate, for the actual number of days elapsed.

As a general matter, this Official Statement describes the terms of the Series 2009 Bonds only in the Weekly Mode.

The Series 2009 Bonds, when issued, will be registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). So long as DTC or its nominee, Cede & Co., is the registered owner of the Series 2009 Bonds, payments of the principal, Sinking Fund Installments, Redemption Price and Purchase Price of and interest on the Series 2009 Bonds will be made by the Trustee directly to Cede & Co. Disbursement of such payments to the Direct Participants (as hereinafter defined) is the responsibility of DTC and disbursement of such payments to the Beneficial Owners (as hereinafter defined) of the Series 2009 Bonds is the responsibility of the Direct Participants and the Indirect Participants (as hereinafter defined). See “PART 3—The Bonds—Book-Entry Only System.”

The Series 2009 Bonds will be issued in denominations of \$100,000 or any integral multiples of \$5,000 in excess thereof. The Series 2009 Bonds may be exchanged for other Series 2009 Bonds in any other authorized denominations upon surrender thereof at the principal corporate trust office of the Trustee by the registered owner thereof in person or by his attorney duly authorized in writing, together with a written instrument of transfer satisfactory to the Trustee and duly executed by the registered owner or his duly authorized attorney and the payment of a sum sufficient to reimburse the Authority or the Trustee for any tax, fee or other governmental charge required to be paid with respect to such transfer.

Interest shall be payable on each Interest Payment Date during the Weekly Mode in immediately available funds payable by check mailed to each registered owner of a Series 2009 Bond on the Record Date immediately preceding such Interest Payment Date to the address thereof as it appears on the registry books of the Authority, or, at the request of a registered owner, by wire transfer to such registered owner at the wire transfer address in the continental United States to which such registered owner has not later than five (5) days prior to the Record Date immediately preceding such Interest Payment Date directed the Trustee to wire such interest payment. Notwithstanding the foregoing, interest payable on any Interest Payment Date during which the Series 2009 Bonds are Book Entry Bonds shall be paid by wire transfer to the Depository for the Series 2009 Bonds or its nominee, at the wire transfer address therefore.

Interest payable on each Interest Payment Date shall be the interest accrued and unpaid to and including the day preceding such Interest Payment Date.

Determination of Weekly Rate

Each Series 2009 Bond in a Weekly Mode (other than a Bank Bond) will bear interest at the Weekly Rate established for such Series 2009 Bonds. The Weekly Rate is required to be determined by the Remarketing Agent to be the rate of interest that, if borne for such Weekly Rate Period, in the judgment of the Remarketing Agent, 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 Series 2009 Bond and that are comparable as to credit and maturity or tender dates with the credit and maturity or tender dates of the Series 2009 Bonds, would be the lowest interest rate that would enable the Series 2009 Bond to be sold on the first day of the applicable Weekly Rate Period at a price of par, plus accrued interest, if any.

The Remarketing Agent will make the Weekly Rate available to any Holder, the Trustee, the Tender Agent, the Authority and the Bank requesting the same.

The Remarketing Agent is required to determine a Weekly Rate for each Weekly Rate Period by 5:00 p.m., New York City time, on Tuesday of each week, or the next succeeding Business Day if any Tuesday is not a Business Day. If for any reason (i) the Weekly Rate for a Weekly Rate Period is not established as aforesaid, (ii) no Remarketing Agent is serving hereunder, (iii) the Weekly Rate so established is held to be invalid or unenforceable with respect to a Weekly Rate Period or (iv) pursuant to the Remarketing Agreement the Remarketing Agent is not then required to establish a Weekly Rate, then the Weekly Rate for such Weekly Rate Period shall be the lesser of the Maximum Rate or the SIFMA Municipal Index on the date such Weekly Rate was to have been determined by the Remarketing Agent.

No Series 2009 Bonds (other than a Bank Bond) will bear interest at a rate that exceeds the Maximum Rate.

Redemption and Purchase in Lieu of Redemption

The Series 2009 Bonds will be subject to redemption prior to maturity as provided below.

Optional Redemption. The Series 2009 Bonds in the Weekly Mode are subject to redemption prior to maturity at the election of the Authority upon the request of the College, in whole or in part, on any Business Day at a Redemption Price equal to 100% of the principal amount of each Series 2009 Bond or portion thereof to be redeemed, plus accrued interest to the redemption date.

Mandatory Sinking Fund Redemption. The Series 2009 Bonds shall be subject to redemption prior to maturity, in part, through application of Sinking Fund Installments beginning on July 1, 2010, and on each January 1 and July 1 thereafter, as herein provided, upon notice given as prescribed in the Resolution and the 2009 Bond Series Certificate, at a Redemption Price equal to 100% of the principal amount of each Series 2009 Bond or portion thereof to be redeemed, plus accrued interest, if any, to the date of redemption. Unless none of the Series 2009 Bonds of a maturity to be so redeemed are then Outstanding and, subject to the provisions of the Resolution and the 2009 Bond Series Certificate permitting amounts to be credited to part or all of any one or more Sinking Fund Installments, there shall be due and the Authority shall be required to pay for the retirement of the Series 2009 Bonds, the amount set forth opposite such date in said table, and the said amount to be paid on each such date is hereby established as and shall constitute a Sinking Fund Installment for retirement of such Series 2009 Bonds:

<u>Sinking Fund Payment Date</u>	<u>Amount</u>	<u>Sinking Fund Payment Date</u>	<u>Amount</u>
July 1, 2010	\$330,000	January 1, 2025	\$575,000
January 1, 2011	175,000	July 1, 2025	580,000
July 1, 2011	185,000	January 1, 2026	605,000
January 1, 2012	190,000	July 1, 2026	610,000
July 1, 2012	190,000	January 1, 2027	630,000
January 1, 2013	205,000	July 1, 2027	640,000
July 1, 2013	200,000	January 1, 2028	665,000
January 1, 2014	210,000	July 1, 2028	665,000
July 1, 2014	215,000	January 1, 2029	700,000
January 1, 2015	225,000	July 1, 2029	700,000
July 1, 2015	225,000	January 1, 2030	730,000
January 1, 2016	235,000	July 1, 2030	735,000
July 1, 2016	240,000	January 1, 2031	770,000
January 1, 2017	250,000	July 1, 2031	770,000
July 1, 2017	250,000	January 1, 2032	805,000
January 1, 2018	265,000	July 1, 2032	805,000
July 1, 2018	265,000	January 1, 2033	840,000
January 1, 2019	285,000	July 1, 2033	845,000
July 1, 2019	280,000	January 1, 2034	880,000
January 1, 2020	300,000	July 1, 2034	885,000
July 1, 2020	295,000	January 1, 2035	930,000
January 1, 2021	310,000	July 1, 2035	925,000
July 1, 2021	315,000	January 1, 2036	965,000
January 1, 2022	335,000	July 1, 2036	970,000
July 1, 2022	330,000	January 1, 2037	1,020,000
January 1, 2023	350,000	July 1, 2037	1,015,000
July 1, 2023	350,000	January 1, 2038	1,065,000
January 1, 2024	550,000	July 1, 2038*	1,065,000
July 1, 2024	555,000		

* Final maturity.

Series 2009 Bonds redeemed at the option of the Authority, purchased by the Authority or the Institution (other than with moneys in the Debt Service Fund pursuant to the Resolution or purchased in lieu of redemption as described in the second succeeding paragraph herein below) or deemed to have been paid in accordance with the Resolution shall be applied in satisfaction, in whole or in part, of one or more Sinking Fund Installments payable on such dates as the Authority specifies in a written direction of the Authority delivered to the Trustee at least fifteen (15) days prior to the earliest date on

which notice of redemption of the Series 2009 Bonds entitled to such Sinking Fund Installment may be given by the Trustee. Series 2009 Bonds purchased with moneys in the Debt Service Fund pursuant to the Resolution shall be applied in satisfaction of a Sinking Fund Installment in accordance with the Resolution. The Sinking Fund Installment payable on each date specified in such direction shall be reduced by the principal amount of the Series 2009 Bonds so purchased, redeemed or deemed to have been paid in accordance with the Resolution.

Special Redemption. The Series 2009 Bonds are also subject to redemption, in whole or in part, at 100% of the principal amount thereof plus accrued interest thereon, at the option of the Authority on any Interest Payment Date, (i) to the extent monies are deposited pursuant to the Loan Agreement in the Debt Service Fund from proceeds of a condemnation or insurance award, which proceeds are not used to repair, restore or replace the Series 2009 Project (as such term is defined in the Loan Agreement); and (ii) from unexpended proceeds of the Series 2009 Bonds upon abandonment of all or a portion of the Series 2009 Project due to a legal or regulatory impediment.

Purchase in Lieu of Redemption. Any Series 2009 Bond which is subject to optional redemption may be purchased by the Trustee at the direction of the Institution with the consent of the Authority. Such Series 2009 Bond need not be cancelled upon purchase, but may be resold with the same terms or such different terms as may be agreed upon by the Institution and the purchasers with the consent of the Authority.

Notice of Redemption. Each notice of redemption shall be given not less than fifteen (15) days nor more than thirty (30) prior to the redemption date. If on the redemption date moneys for the redemption of the Series 2009 Bonds to be redeemed, together with accrued and unpaid 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 shall have been mailed in accordance with the Resolution and the 2009 Bond Series Certificate, then interest on the Series 2009 Bonds or portions thereof called for redemption will cease to accrue from and after the redemption date and such Series 2009 Bonds will no longer be considered Outstanding under the Resolution.

Selection of Series 2009 Bonds to be Redeemed. In the case in which Series 2009 Bonds are to be redeemed and any such Series 2009 Bonds are held by the Bank pursuant to the Reimbursement Agreement, such Bank Bonds shall be redeemed prior to any other Series 2009 Bonds. If less than all of the Outstanding Series 2009 Bonds are to be redeemed or purchased in lieu of redemption as described herein, the Series 2009 Bonds to be redeemed will be selected by the Trustee using such method of selection as the Trustees shall consider proper in its discretion.

Tender of the Series 2009 Bonds

Optional Tender of Book-Entry Bonds. For so long as a Series 2009 Bond bears interest in a Weekly Mode during which such Series 2009 Bond is a Book Entry Bond, a Direct Participant, acting on behalf of a Beneficial Owner, has the right to tender all or any portion, in an Authorized Denomination, of the principal amount of such Beneficial Owner's interest in any Series 2009 Bond for purchase on any Optional Tender Date, by giving or delivering to the Remarketing Agent and the Tender Agent at their respective principal offices a Tender Notice as prescribed in the 2009 Bond Series Certificate stating (i) the aggregate principal amount in an Authorized Denomination of each Series 2009 Bond or portion thereof to be purchased, and (ii) that the principal amount of the Series 2009 Bonds (in an Authorized Denomination) must be purchased on such Optional Tender Date pursuant to the 2009 Bond Series Certificate. Optional Tender Date means any Business Day while the Series 2009 Bonds bear interest in the Weekly Mode.

Such Tender Notice must be delivered in the case of Series 2009 Bonds bearing interest a Weekly Rate, not later than 5:00 P.M., New York City time, on the seventh (7th) business day prior to the Optional Tender Date.

Any Tender Notice so given or delivered shall be irrevocable and shall be binding on the Participant, the Beneficial Owner on whose behalf such notice was given and any transferee of such Beneficial Owner. The principal amount of the Series 2009 Bonds for which a Tender Notice has been given or delivered shall be deemed tendered on the Optional Tender Date without presentation or surrender of the Series 2009 Bonds to the Tender Agent. If there is on deposit with the Tender Agent on the Optional Tender Date an amount sufficient to pay the Purchase Price of the aggregate principal amount of Series 2009 Bonds to be tendered on such Optional Tender Date pursuant to a Tender Notice given pursuant to the 2009 Bond Series Certificate described hereinabove, ownership of such aggregate principal amount of Series 2009 Bonds shall be recorded in the records of the Depository as transferred to the applicable party in accordance with the provisions of the 2009 Bond Series Certificate.

Optional Tender of Other Bonds. For so long as the Series 2009 Bonds bear interest in a Daily Mode or a Weekly Mode during which the Series 2009 Bonds are not Book Entry Bonds, the Holders of the Series 2009 Bonds shall have the right to tender any Series 2009 Bond (or portion thereof in an Authorized Denomination) to the Tender Agent for purchase on any Optional Tender Date upon delivery of a Tender Notice in accordance with the 2009 Bond Series Certificate.

Mandatory Tender. The Series 2009 Bonds specified below are subject to mandatory tender and purchase at the Purchase Price on the following dates:

(i) Series 2009 Bonds to be converted from a Term Mode to a Daily Mode or a Weekly Mode, or from any Daily Mode or Weekly Mode to a Term Mode, are subject to mandatory tender for purchase on the Conversion Date. There shall be no mandatory tender of the Series 2009 Bonds upon a conversion thereof from a Daily Mode to a Weekly Mode or from a Weekly Mode to a Daily Mode.

(ii) On each Reset Date for the Series 2009 Bonds in the Term Mode

(iii) Any Series 2009 Bonds to be converted to bear interest at the Fixed Rate will be subject to mandatory tender for purchase on the Conversion Date.

(iv) At any time prior to the Conversion to a Fixed Mode, on the Interest Payment Date at least five (5) days before the expiration or termination date of the 2009 Letter of Credit or any Substitute Letter of Credit, the Series 2009 Bonds will be subject to mandatory tender in accordance with the procedures described in the 2009 Bond Series Certificate.

(v) On the effective date of a Substitute Credit Facility delivered pursuant to the 2009 Bond Series Certificate (or if such day is not a Business Day, on the immediately preceding Business Day); provided, however, the Credit Facility in effect prior to delivery of the Substitute Credit Facility shall be drawn upon to pay the Purchase Price of Tendered Bonds that have not been remarketed. The Series 2009 Bonds will be subject to mandatory tender on the date on which the Substitute Letter of Credit is scheduled to become effective with respect to such Series 2009 Bonds, whether or not the Substitute Letter of Credit actually becomes effective on such date.

(vi) (A) The Series 2009 Bonds are subject to mandatory tender and purchase at the Purchase Price upon written notice delivered by the Bank or its agent to the Trustee, the Remarketing Agent and the Authority stating that:

(1) an Event of Default has occurred under the Reimbursement Agreement and the Bank has elected to require a mandatory tender of the Series 2009 Bonds as provided in the Reimbursement Agreement, or

(2) there has not been a reinstatement of a draw on the 2009 Letter of Credit with respect to the Series 2009 Bonds (other than a draw relating to a permanent reduction of the Stated Amount of the Letter of Credit).

(B) The Trustee shall establish the date upon which the mandatory tender will occur which may not be less than two, or more than ten, Business Days after the receipt by the Trustee, the Remarketing Agent and the Authority of such notice, provided that such mandatory tender date shall be at least one Business Day prior to the expiration date of the Letter of Credit.

Tendered and Deemed Tendered Bonds. If a Bondholder fails to deliver to the Tender Agent, on or before the applicable Tender Date, all or any portion of a Series 2009 Bond subject to mandatory tender for purchase or any Series 2009 Bond, other than a Book Entry Bond, for which an election to tender has been duly made, such Series 2009 Bond (or portion thereof in an Authorized Denomination) shall be deemed to have been properly tendered to the Tender Agent. To the extent that there is on deposit with the Tender Agent on the purchase date thereof an amount sufficient to pay the Purchase Price of the Tendered Bonds, such Tendered Bonds will cease to constitute or represent a right to payment of principal or interest thereon and will constitute and represent only the right to the payment of the Purchase Price payable on such date. The foregoing shall not limit the right of any person who on a Record Date is the Holder of a Series 2009 Bond to receipt of interest, if any, due thereon on the date such Series 2009 Bond is required to be purchased.

Purchase of Tendered Bonds. On each Tender Date the Tendered Bonds shall be purchased (but solely from Available Moneys) at the applicable Purchase Price, which will be paid by 3:00 P.M., New York City time, on the Tender Date. The Purchase Price of Tendered Bonds shall be paid solely with Available Moneys on deposit in the accounts within the Debt Service Fund relating to the Series 2009 Bonds in the following order of priority first, from Available Moneys in the 2009 Remarketing Proceeds Account; second, from Available Moneys in the 2009 Purchase Account; and third, from Available Moneys in the 2009 Authority Available Moneys Account.

Conversion to Other Rate Modes

The Authority, at the direction of the Institution, will deliver a Conversion Notice to the Remarketing Agent, the Depository, the Credit Facility Issuer, the Trustee, the Tender Agent, and each Rating Service then maintaining a rating on the Series 2009 Bonds in accordance with the provisions of the 2009 Bond Series Certificate. The 2009 Bond Series Certificate provides that no Conversion of a Rate Mode will occur unless on or prior to 11:00 a.m., New York City time, on the Conversion Date, the Authority delivers to the Credit Facility Issuer, if applicable, the Remarketing Agent, the Tender Agent and the Trustee an Opinion of Bond Counsel with respect to such proposed Conversion and such other requirements as are set forth in the 2009 Bond Series Certificate are satisfied. At the time of Conversion from the Weekly Mode to another Rate Mode (other than Conversions between the Weekly Mode and the Daily Mode), the Series 2009 Bonds will be subject to mandatory tender.

All Series 2009 Bonds Outstanding at the time of a Conversion are to be converted to the same Rate Mode.

The Series 1998 Bonds

The Series 1998 Bonds were issued pursuant to the Act, the Resolution, the Series 1998 Resolution and the 1998 Bond Series Certificate. The Series 1998 Bonds are dated the date of delivery thereof, bear interest from that date and will mature, subject to prior redemption or tender for purchase as described herein. All Series 1998 Bonds must bear interest at the same Rate Mode. Under the 1998 Bond Series Certificate, the term “Weekly Period” means a period commencing on a Wednesday and ending on Tuesday of the following week (or earlier Conversion Date). While bearing interest at the Weekly Rate, interest on the Series 1998 Bonds is payable on the first Business Day of each calendar month to which interest at such rate has accrued. Interest on Series 1998 Bonds payable during the Weekly Mode shall be computed on the basis of a year of 365 or 366 day year, as the case may be, for the actual number of days elapsed.

As a general matter, this Official Statement describes the terms of the Series 1998 Bonds only in the Weekly Mode.

The Series 1998 Bonds, when issued, will be registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). So long as DTC or its nominee, Cede & Co., is the registered owner of the Series 1998 Bonds, payments of the principal, Sinking Fund Installments, Redemption Price and Purchase Price of and interest on the Series 1998 Bonds will be made by the Trustee directly to Cede & Co. Disbursement of such payments to the Direct Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners of the Series 1998 Bonds is the responsibility of the Direct Participants and the Indirect Participants. See “PART 3—THE BONDS—The Bonds—Book Entry Only System.”

The Series 1998 Bonds were issued in denominations of \$100,000 or any integral multiples of \$5,000 in excess thereof. The Series 1998 Bonds may be exchanged for other Series 1998 Bonds in any other authorized denominations upon surrender thereof at the principal corporate trust office of the Trustee, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney and the 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 transfer.

Interest on the Series 1998 Bonds shall be paid on each Interest Payment Date during the Weekly Mode in immediately available funds paid by check or draft mailed to the registered owner thereof at the address thereof as it appears on the registry books of the Authority; provided, however, that interest on Bonds of a Series may be authorized to be paid, at the option of the registered owner of at least One Million Dollars (\$1,000,000) in principal amount of Bonds of such Series, by wire transfer to such registered owner at the wire transfer address in the continental United States to which

such registered owner has, not less than five (5) days prior to the Record Date for such Bonds immediately preceding such interest payment date, directed the Trustee to wire such interest payment.

Interest on each Series 1998 Bond shall accrue from and including the date of such Series 1998 Bonds through and including the day preceding the Interest Payment Date on which such interest is paid.

Determination of Weekly Rate

Each Series 1998 Bond in a Weekly Mode (other than a Bank Bond) will bear interest at the Weekly Rate established for such Series 1998 Bonds. The Weekly Rate is required to be determined by the Remarketing Agent to be the lowest rate of interest that would cause the Series 1998 Bonds to have a market value equal to the principal amount thereof, plus accrued interest, if any, taking into account prevailing market conditions as of the date of determination.

The Remarketing Agent is required to determine a Weekly for each Weekly Rate Period by 4:00 p.m., New York City time, prior to the commencement date of the Weekly Period to which it relates. If the Remarketing Agent fails for any reason to determine or notify the Trustee of the Weekly Rate when required under the Series 1998 Resolution, the Rate Period for the Series 1998 Bonds will automatically convert to a Daily Period, without notice or mandatory tender on the date such Weekly Rate was to have been determined by the Remarketing Agent.

In the event the Weekly Rate for any Weekly Period is not established and the Series 1998 Bonds convert to a Daily Period, the Daily Rate shall be equal to the lesser of the Maximum Rate or 100% of the Prime Commercial Paper A-1/P-1 (30 days) rate (as being in effect on the Business Day preceding the effective date of such Daily Rate) shown in the table captioned "Short-Term Tax-Exempt Yields" in the edition of The Bond Buyer published on the day on which such Daily Rate is to be determined. In the event such published rate is no longer available the Daily Rate shall be equal to the Variable Interest Rate for the immediately preceding Variable Rate Period.

No Series 1998 Bonds (other than a Bank Bond) will bear interest at a rate that exceeds the Maximum Rate.

Redemption and Purchase in Lieu of Redemption

The Series 1998 Bonds will be subject to redemption prior to maturity as provided below.

Optional Redemption. The Series 1998 Bonds in the Weekly Mode are subject to redemption prior to maturity at the election of the Authority upon the request of the College and with the prior written consent of the Bank, in whole or in part, on any Interest Payment Date at a Redemption Price equal to 100% of the principal amount of each Series 1998 Bond or portion thereof to be redeemed, plus accrued interest to the redemption date.

Mandatory Sinking Fund Redemption. The Series 1998 Bonds shall be subject to redemption prior to maturity, in part, through application of Sinking Fund Installments beginning on July 1, 2009, and on each January 1 and July 1 thereafter, as herein provided, upon notice given as prescribed in the Resolution and the Series 1998 Resolution, at a Redemption Price equal to 100% of the principal amount of each Series 1998 Bond or portion thereof to be redeemed, plus accrued interest, if any, to the date of redemption. Unless none of the Series 1998 Bonds of a maturity to be so redeemed are then Outstanding and, subject to the provisions of the Resolution and the Series 1998 Resolution permitting amounts to be credited to part or all of any one or more Sinking Fund Installments, there shall be due and the Authority shall be required to pay for the retirement of the Series 1998 Bonds, the amount set forth opposite such date in said table, and the said amount to be paid on each such date is hereby established as and shall constitute a Sinking Fund Installment for retirement of such Series 1998 Bonds:

<u>Sinking Fund Payment Date</u>	<u>Amount</u>	<u>Sinking Fund Payment Date</u>	<u>Amount</u>
July 1, 2009	\$400,000	January 1, 2019	\$400,000
January 1, 2010	300,000	July 1, 2019	400,000
July 1, 2010	300,000	January 1, 2020	400,000
January 1, 2011	300,000	July 1, 2020	400,000
July 1, 2011	300,000	January 1, 2021	500,000
January 1, 2012	300,000	July 1, 2021	500,000
July 1, 2012	300,000	January 1, 2022	500,000
January 1, 2013	300,000	July 1, 2022	500,000
July 1, 2013	300,000	January 1, 2023	500,000
January 1, 2014	300,000	July 1, 2023	500,000
July 1, 2014	300,000	January 1, 2024	250,000
January 1, 2015	300,000	July 1, 2024	250,000
July 1, 2015	300,000	January 1, 2025	300,000
January 1, 2016	400,000	July 1, 2025	300,000
July 1, 2016	400,000	January 1, 2026	300,000
January 1, 2017	400,000	July 1, 2026	300,000
July 1, 2017	400,000	January 1, 2027	300,000
January 1, 2018	400,000	July 1, 2027*	135,000
July 1, 2018	400,000		

* Final maturity.

Except with respect to the Series 1998 Bonds purchased in lieu of redemption as described in the second succeeding paragraph herein below, the principal amount of Series 1998 Bonds purchased by the Authority pursuant to the Resolution or the Institution pursuant to the Loan Agreement is to be cancelled upon receipt thereof by the Trustee and the principal amount thereby so cancelled is to be credited against the Sinking Fund Installment due on the applicable payment date.

Mandatory Redemption. The Series 1998 Bonds are subject to mandatory redemption in part on any Interest Payment Date for the Series 1998 Bonds to be so redeemed in the event and to the extent that moneys, including proceeds of such Series 1998 Bonds and proceeds of any insurance or condemnation proceedings that have been deposited in the applicable account in the Construction Fund, remain in such account after adequate provision has been made for completion or restoration of the Project, at a redemption price equal to 100% of the principal amount of Series 1998 Bonds to be redeemed, plus accrued interest thereon to the redemption date.

Purchase in Lieu of Redemption. Any Series 1998 Bond which is subject to optional redemption may be purchased by the Trustee at the direction of the Institution with the consent of the Authority. Such Series 1998 Bond need not be cancelled upon purchase, but may be resold with the same terms or such different terms as may be agreed upon by the Institution and the purchasers with the consent of the Authority.

Notice of Redemption. Each notice of redemption shall be given not less than thirty (30) days nor more than forty-five (45) prior to the redemption date. If on the redemption date moneys for the redemption of the Series 1998 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 shall have been mailed as aforesaid (if required), then interest on the Series 1998 Bonds of such maturity to be redeemed will cease to accrue from and after the redemption date and such Series 1998 Bonds will no longer be considered Outstanding under the Resolution.

Selection of Series 1998 Bonds to be Redeemed. In the case in which Series 1998 Bonds are to be redeemed and any such Bonds are held by the Bank pursuant to the Reimbursement Agreement, such Bank Bonds shall be redeemed prior to any other Bonds of such Series. In the case of redemption of Bonds from Sinking Fund Installments, the Trustee shall select the Bonds to be redeemed. If less than all of the Outstanding Series 1998 Bonds are to be redeemed or purchased in lieu of redemption as described herein, the Bonds of such maturity to be redeemed will be selected by the Trustee, by lot, using such method of selection as the Trustees shall consider proper in its discretion.

Tender of the Series 1998 Bonds

Optional Tender. The Holders of Series 1998 Bonds bearing interest at the Weekly Rate may elect to have their Series 1998 Bonds (or portions thereof in amounts equal to the lowest denomination then authorized or whole multiples of such lowest denomination) purchased at a Purchase Price equal to 100% of the principal amount of such Bonds (or portions thereof), plus accrued interest, if any, on notice in accordance with the Series 1998 Resolution.

Series 1998 Bonds bearing interest at Weekly Rates may be tendered for purchase at a Purchase Price payable in immediately available funds on any Business Day prior to conversion from a Weekly Period to a different Rate Period upon telephonic notice of tender (promptly confirmed in writing) given to the Trustee and the Remarketing Agent, pursuant to the Series 1998 Resolution, not later than 5:00 P.M., New York City time, on a Business Day not fewer than seven (7) days prior to the purchase date.

Each notice of tender:

(i) is to be given in writing, in a form satisfactory to the Trustee, or telephonically, promptly confirmed in writing, to the Trustee and the Remarketing Agent;

(ii) is to state, whether delivered in writing or by telephone, (A) the principal amount of the Series 1998 Bond to which the notice relates, (B) that the Bondholder irrevocably demands purchase of such Bond or a specified portion thereof in an amount equal to the lowest denomination then authorized pursuant to the Resolution and the Series 1998 Resolution or the 1998 Bond Series Certificate or a whole multiple of such lowest denomination, (C) the date on which such Bond or portion is to be purchased, and (D) payment instructions with respect to the Purchase Price; and

(iii) automatically constitutes, whether delivered in writing or by telephone, (A) an irrevocable offer to sell the Series 1998 Bond (or portion thereof) to which the notice relates on the purchase date at a Purchase Price equal to the principal amount of such Bond (or portion thereof) plus, any interest thereon accrued and unpaid as of the purchase date, (B) an irrevocable authorization and instruction to the Trustee to effect transfer of such Bond (or portion thereof) upon payment of the Purchase Price to the Trustee on the purchase date, (C) an irrevocable authorization and instruction to the Trustee to effect the exchange of the Series 1998 Bond to be purchased in whole or in part for other Series 1998 Bonds in an equal aggregate principal amount so as to facilitate the sale of such Bond (or portion thereof to be purchased), and (D) an acknowledgment that such Bondholder will have no further rights with respect to such Bond (or portion thereof) upon payment of the Purchase Price thereof to the Trustee on the purchase date, except for the right of such Bondholder to receive such Purchase Price upon surrender of such Bond to the Trustee and that after the purchase date such Bondholder will hold any undelivered certificate as agent for the Trustee.

Mandatory Tender

Conversion. Series 1998 Bonds to be converted from a Term Period to a Daily Period, a Weekly Period or any Flexible Period, or from any Daily Period or Weekly Period to a Term Period or any Flexible Period, are subject to mandatory tender for purchase on the Conversion Date at a Purchase Price equal to the principal amount thereof plus accrued interest, if any. There is no mandatory tender of the Series 1998 Bonds upon a conversion thereof from a Daily Mode to a Weekly Mode or from a Weekly Mode to a Daily Mode. Any Series 1998 Bonds to be converted to bear interest at the Fixed Rate will be subject to mandatory tender for purchase on the Fixed Rate Conversion Date at a Purchase Price equal to the principal amount thereof plus accrued interest, if any.

Substitution of Letter of Credit. The Series 1998 Bonds will be subject to mandatory tender on the date on which the Substitute Letter of Credit is scheduled to become effective with respect to such Series 1998 Bonds, whether or not the Substitute Letter of Credit actually becomes effective on such date.

Termination or Expiration of Letter of Credit. On the Interest Payment Date at least five (5) days before the expiration or termination date of the 1998 Letter of Credit or any Substitute Letter of Credit, the Series 1998 Bonds will be subject to mandatory tender.

Event of Default under the Reimbursement Agreement. The Series 1998 Bonds are subject to mandatory tender and purchase at the Purchase Price upon written notice delivered by the Bank or its agent to the Trustee, the Remarketing Agent and the Authority stating that (A) an Event of Default has occurred under the Reimbursement Agreement and the

Bank has elected to require a mandatory tender of the Series 1998 Bonds as provided in the Reimbursement Agreement, or (B) there has not been a reinstatement of a draw on the 1998 Letter of Credit with respect to the Series 1998 Bonds (other than a draw relating to a permanent reduction of the Stated Amount of the 1998 Letter of Credit).

End of Term Periods. Series 1998 Bonds bearing interest at Term Rates are subject to mandatory tender on the last Interest Payment Date for the applicable Term Period, at a Purchase Price equal to the principal amount thereof plus accrued interest, if any.

Tendered and Deemed Tendered Bonds. If the Holder of any Series 1998 Bond (or portion thereof) that is subject to optional or mandatory purchase pursuant to the Series 1998 Resolution fails to deliver such Series 1998 Bond to the Trustee for purchase on the purchase date, and if the Trustee is in receipt of the Purchase Price therefor, such Series 1998 Bond (or portion thereof) shall nevertheless be deemed purchased on the day fixed for purchase thereof. Any Bondholder who fails to deliver such Series 1998 Bond for purchase shall have no further rights thereunder except the right to receive the Purchase Price thereof upon presentation and surrender of said Series 1998 Bond to the Trustee, and interest on such Series 1998 Bond shall cease to accrue from and after the purchase date.

Purchase of Tendered Bonds. On the date set for purchase of tendered Series 1998 Bonds and upon receipt by the Trustee of 100% of the aggregate Purchase Price of the tendered Series 1998 Bonds and the Series 1998 Bonds subject to tender, the Trustee shall pay the Purchase Price of such Bonds to the Holders thereof. Such payments shall be made in immediately available funds (or by wire transfer). The Purchase Price of tendered Series 1998 Bonds shall be paid solely with Available Moneys on deposit in the following accounts within the Debt Service Fund relating to the Series 1998 Bonds in the following order of priority first, from Available Moneys in the 1998 Remarketing Proceeds Account; second, from Available Moneys in the 1998 Purchase Account; and third, from Available Moneys in the 1998 Authority Available Moneys Account.

Conversion to Other Rate Modes

The Authority, at the direction of the College, may, from time to time, by written direction to the Remarketing Agent, the Trustee, the Tender Agent, the Bank, and each Rating Service maintaining a rating on the Series 1998 Bonds, elect that all (but not less than all) of the Series 1998 Bonds be converted between Variable Rate Periods or to a Term Mode or to a Fixed Rate. At the time of a conversion from the Weekly Mode to a different Rate Mode (other than the Daily Mode), the Series 1998 Bonds are subject to mandatory tender for purchase at the Purchase Price as described herein. See “Appendix D – Summary of Certain Provisions of the Resolution, the Series Resolutions and the Bond Series Certificates.”

The Series 1998 Resolution provides that no conversion of a Rate Mode will occur thereunder unless (i) on the Conversion Date no event of default under the Resolution has occurred and is continuing, (ii) the Authority receives a favorable opinion from Bond Counsel with respect to the proposed conversion, and (iii) such other requirements as are set forth in the 1998 Bond Series Certificate are met.

All Series 1998 Bonds to be converted to a different Rate Mode are required to be converted in whole to the same Rate Mode.

The Remarketing Agent

The Authority, at the request of the College, has appointed TD Securities (USA) LLC, as the Remarketing Agent for the Bonds. In accordance with the Resolution, the Series 1998 Resolution, the 2009 Bond Series Certificate and the respective Remarketing Agreement, the Remarketing Agent will use its best efforts to find purchasers for tendered Bonds. The Remarketing Agent can be contacted at 31 West 52nd Street, New York, NY 10019.

Special Considerations Relating to the Bonds Bearing Interest at a Weekly Rate

The Remarketing Agent Is Paid by the College. The Remarketing Agent’s responsibilities include determining the interest rate from time to time and using best efforts to remarket Bonds that are optionally or mandatorily tendered by the owners thereof (subject, in each case, to the terms of the applicable Remarketing Agreement, the applicable Series Resolution and the applicable Bond Series Certificate), as further described in this Official Statement. The Remarketing Agent is appointed by the Authority at the request of the College and is paid by the College for its services. As a result, the interests of the Remarketing Agent may differ from those of existing Bondholders and potential purchasers of Bonds.

The Remarketing Agent May Purchase Bonds for Its Own Account. The Remarketing Agent acts as remarketing agent for a variety of variable rate demand obligations and, in its sole discretion, may purchase such obligations for its own account. The Remarketing Agent is permitted, but not obligated, to purchase tendered Bonds for its own account and, in its sole discretion, may acquire such tendered Bonds in order to achieve a successful remarketing of the Bonds (i.e., because there otherwise are not enough buyers to purchase the Bonds) or for other reasons. However, the Remarketing Agent is not obligated to purchase Bonds, and may cease doing so at any time without notice. The Remarketing Agent may also make a market in the Bonds by purchasing and selling 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 Bonds. The Remarketing Agent may also sell any 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 Bonds. The purchase of Bonds by the Remarketing Agent may create the appearance that there is greater third party demand for the Bonds in the market than is actually the case. The practices described above also may result in fewer Bonds being tendered in a remarketing.

Bonds May Be Offered at Different Prices on Any Date Including a Rate Determination Date. Pursuant to the Remarketing Agreement, the Remarketing Agent is required to use its best efforts to determine the applicable rate of interest that, in its judgment, is the lowest rate that would permit the sale of the Bonds bearing interest at the applicable interest rate at par plus accrued interest, if any, on and as of the applicable Reset Date. The interest rate will reflect, among other factors, the level of market demand for the Bonds (including whether the Remarketing Agent is willing to purchase Bonds for its own account). There may or may not be Bonds tendered and remarketed on a Reset Date, the Remarketing Agent may or may not be able to remarket any Bonds tendered for purchase on such date at par and the Remarketing Agent may sell 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 Bonds at the remarketing price. In the event the Remarketing Agent owns any Bonds for its own account, it may, in its sole discretion in a secondary market transaction outside the tender process, offer such Bonds on any date, including the Reset Date, at a discount to par to some investors.

The Ability to Sell the Bonds Other Than through Tender Process May Be Limited. The Remarketing Agent may buy and sell 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 Bonds to do so through the Tender Agent with appropriate notice. Thus, investors who purchase the Bonds, whether in a remarketing or otherwise, should not assume that they will be able to sell their Bonds other than by tendering the Bonds in accordance with the tender process.

Under Certain Circumstances, the Remarketing Agent May be Removed, Resign or Cease Remarketing the Bonds, Without a Successor Being Named. 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 applicable Remarketing Agreement, the applicable Series Resolution and the applicable Bond Series Certificate. In the event there is no Remarketing Agent, the Trustee may assume such duties as described in the Resolution and the Bond Series Certificate, which are limited to accepting notices of tender.

Book-Entry Only System

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. The Bonds will be (or, in the case of the Series 1998 Bonds, are) issued as fully-registered securities in the name of Cede & Co. (DTC’s partnership nominee), or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2009 Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and

dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s highest rating: AAA. 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 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

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

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity 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 any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the 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 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 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the Authority or the Trustee on the payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC, the Trustee, the Bank 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 will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Tender Agent's DTC account.

The Authority and the Trustee may treat DTC (or its nominee) as the sole and exclusive registered owner of the Bonds registered in its name for the purposes of payment of the principal and redemption premium, if any, of, or interest on, the Bonds, giving any notice permitted or required to be given to registered owners under the Resolution, registering the transfer of the 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 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 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.

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

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

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

Each person for whom a Participant acquires an interest in the Bonds, as nominee, may desire to make arrangements with such Participant to receive a credit balance in the records of such Participant, and may desire to make arrangements with such Participant to have all notices of redemption or other communications of DTC, which may affect such persons, to be forwarded in writing by such Participant and to have notification made of all interest payments. NEITHER THE AUTHORITY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE BONDS.

So long as Cede & Co. is the registered owner of the Bonds, as nominee for DTC, references herein to the Bondholders or registered owners of the Bonds (other than under the caption "PART 12 — TAX MATTERS" herein) shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Bonds.

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

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

The Authority, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Bonds if the Authority determines that (i) DTC is unable to discharge its responsibilities with respect to the Bonds or (ii) a continuation of the requirement that all of the Outstanding Bonds be registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of DTC, is not in the best interests of the Beneficial Owners. In the event that no substitute securities depository is found by the Authority or restricted registration is no longer in effect, Bond certificates will be delivered as described in the Resolution and the Bond Series Certificates.

NEITHER THE AUTHORITY NOR THE BANK NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT

PARTICIPANT, OR ANY INDIRECT PARTICIPANT, (II) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE BONDS UNDER THE RESOLUTIONS; (III) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE BONDS; (IV) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR REDEMPTION PREMIUM, IF ANY, OR INTEREST DUE WITH RESPECT TO THE BONDS; (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF THE BONDS; OR (VI) ANY OTHER MATTER.

Principal and Interest Requirements

The following table sets forth, for each bond year ending July 31, the amount required to be made available in such year, after giving effect to the issuance of the Series 2009 Bonds, for the payment of (i) other outstanding indebtedness of the College, (ii) debt service on the Bank Loan with an assumed rate of interest of 5.20%, (iii) principal and Sinking Fund Installments of the Series 1998 Bonds, (iv) interest on the Series 1998 Bonds estimated at 4.5%, (v) estimated total debt service for the Series 1998 Bonds, (vi) principal and Sinking Fund Installments of the Series 2009 Bonds, (vii) interest on the Series 2009 Bonds estimated at 4.5%, (viii) estimated total debt service for the Series 1998 Bonds, and (ix) estimated combined debt service on all obligations of the College.

12 Month Period Ending July 31	Series 1998 Bonds					Series 2009 Bonds			
	Debt Service on Other Outstanding Indebtedness ⁽¹⁾	Debt Service on the Bank Loan ⁽²⁾	Principal Payments on the Series 1998 Bonds	Interest Payments on the Series 1998 Bonds ⁽³⁾	Total Debt Service on the Series 1998 Bonds	Principal Payments on the Series 2009 Bonds	Interest Payments on the Series 2009 Bonds ⁽⁴⁾	Total Debt Service on the Series 2009 Bonds	Total Debt Service
2009	114,828.00	1,754,165.15	400,000.00	591,075.00	991,075.00	—	1,372,500.00	1,372,500.00	4,232,568.15
2010	140,609.00	2,432,849.89	600,000.00	573,075.00	1,173,075.00	330,000.00	1,372,500.00	1,702,500.00	5,449,033.89
2011	141,306.00	2,443,821.26	600,000.00	546,075.00	1,146,075.00	360,000.00	1,357,650.00	1,717,650.00	5,448,852.26
2012	141,834.00	2,451,886.23	600,000.00	519,075.00	1,119,075.00	380,000.00	1,341,450.00	1,721,450.00	5,434,245.23
2013	137,278.00	2,467,795.27	600,000.00	492,075.00	1,092,075.00	405,000.00	1,324,350.00	1,729,350.00	5,426,498.27
2014	—	2,480,915.30	600,000.00	465,075.00	1,065,075.00	425,000.00	1,306,125.00	1,731,125.00	5,277,115.30
2015	—	2,494,842.05	600,000.00	438,075.00	1,038,075.00	450,000.00	1,287,000.00	1,737,000.00	5,269,917.05
2016	—	2,507,032.71	800,000.00	411,075.00	1,211,075.00	475,000.00	1,266,750.00	1,741,750.00	5,459,857.71
2017	—	2,525,292.55	800,000.00	375,075.00	1,175,075.00	500,000.00	1,245,375.00	1,745,375.00	5,445,742.55
2018	—	2,541,947.91	800,000.00	339,075.00	1,139,075.00	530,000.00	1,222,875.00	1,752,875.00	5,433,897.91
2019	—	2,559,627.39	800,000.00	303,075.00	1,103,075.00	565,000.00	1,199,025.00	1,764,025.00	5,426,727.39
2020	—	2,577,056.78	800,000.00	267,075.00	1,067,075.00	595,000.00	1,173,600.00	1,768,600.00	5,412,731.78
2021	—	2,598,301.65	1,000,000.00	231,075.00	1,231,075.00	625,000.00	1,146,825.00	1,771,825.00	5,601,201.65
2022	—	2,619,446.11	1,000,000.00	186,075.00	1,186,075.00	665,000.00	1,118,700.00	1,783,700.00	5,589,221.11
2023	—	2,641,890.71	1,000,000.00	141,075.00	1,141,075.00	700,000.00	1,088,775.00	1,788,775.00	5,571,740.71
2024	—	—	500,000.00	96,075.00	596,075.00	1,105,000.00	1,057,275.00	2,162,275.00	2,758,350.00
2025	—	—	600,000.00	73,575.00	673,575.00	1,155,000.00	1,007,550.00	2,162,550.00	2,836,125.00
2026	—	—	600,000.00	46,575.00	646,575.00	1,215,000.00	955,575.00	2,170,575.00	2,817,150.00
2027	—	—	435,000.00	19,575.00	454,575.00	1,270,000.00	900,900.00	2,170,900.00	2,625,475.00
2028	—	—	—	—	—	1,330,000.00	843,750.00	2,173,750.00	2,173,750.00
2029	—	—	—	—	—	1,400,000.00	783,900.00	2,183,900.00	2,183,900.00
2030	—	—	—	—	—	1,465,000.00	720,900.00	2,185,900.00	2,185,900.00
2031	—	—	—	—	—	1,540,000.00	654,975.00	2,194,975.00	2,194,975.00
2032	—	—	—	—	—	1,610,000.00	585,675.00	2,195,675.00	2,195,675.00
2033	—	—	—	—	—	1,685,000.00	513,225.00	2,198,225.00	2,198,225.00
2034	—	—	—	—	—	1,765,000.00	437,400.00	2,202,400.00	2,202,400.00
2035	—	—	—	—	—	1,855,000.00	357,975.00	2,212,975.00	2,212,975.00
2036	—	—	—	—	—	1,935,000.00	274,500.00	2,209,500.00	2,209,500.00
2037	—	—	—	—	—	2,035,000.00	187,425.00	2,222,425.00	2,222,425.00
2038	—	—	—	—	—	2,130,000.00	95,850.00	2,225,850.00	2,225,850.00
2039	—	—	—	—	—	—	—	—	—

¹ Debt Service on the Wagner College Consolidation and Construction Bonds of 1962, Series B with a fixed rate of interest equal to 3.385%.

² Interest on the Bank Loan is calculated on the basis of an assumed interest rate of 5.20% per annum, the estimated fixed rate of interest the College will pay pursuant to the five year interest rate swap agreement it intends to enter into with respect to the entire principal amount of the Bank Loan and under which such interest rate swap agreement, the College will receive a floating rate of interest.

³ Interest on the Series 1998 Bonds is calculated on the basis of an assumed interest rate of 4.5% per annum, the maximum rate of interest payable by the College pursuant to the interest rate cap agreement it has entered into with respect to the Series 1998 Bonds, which such interest rate cap agreement expires on April 1, 2013.

⁴ The College intends to enter into an interest rate cap agreement with respect to \$15,500,000 of the Series 2009 Bonds, which such interest rate cap agreement expires on January 28, 2012 and pursuant to which it will pay a maximum rate of 4.5%. The remaining \$15,000,000 of Series 2009 Bonds will bear interest at the variable interest rate with no interest rate hedge agreement. The interest rate on the Series 2009 Bonds is calculated on the basis of an assumed interest rate of 4.5% per annum for both the amount of such Series 2009 Bonds subject to the interest rate cap agreement and the amount that is not subject to any interest rate hedge agreement.

PART 4 — THE BANK

The following information has been provided by the Bank (at times referred to hereinafter as “TD Bank, N.A.”) for use in this Official Statement. Such information is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Authority, the College, the Underwriter or the Remarketing Agent. This information has not been independently verified by the Authority, the College, the Underwriter or the Remarketing Agent. No representation is made by the Authority, the College, the Underwriter, or the Remarketing Agent as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

TD Bank, N.A. (the “Bank”) is a national banking association organized under the laws of the United States, with its main office located in Wilmington, Delaware. The Bank is an indirect, wholly-owned subsidiary of The Toronto-Dominion Bank (“TD”) and, operating under the brand names TD Banknorth and TD Bank, offers a full range of banking services and products to individuals, businesses and governments throughout its market areas, including commercial, consumer, trust, investment advisory and insurance agency services. The Bank operates banking offices in Connecticut, Delaware, the District of Columbia, Florida, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Vermont and Virginia. As of September 30 2008, the Bank had consolidated assets of \$98.6 billion, consolidated deposits of \$75 billion and stockholder's equity of \$18.2 billion, based on regulatory accounting principles.

Additional information regarding TD is available from filings made by TD with the U.S. Securities and Exchange Commission (the “SEC”), which filings can be inspected and copied at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549, at prescribed rates. In addition, the SEC maintains a website at <http://www.sec.gov>, which contains reports, proxy statements and other information regarding registrants that file such information electronically with the SEC.

The information concerning TD and the Bank contained herein is furnished solely to provide limited introductory information and does not purport to be comprehensive. Such information is qualified in its entirety by the detailed information appearing in the documents and financial statements referenced herein.

The Letters of Credit are the obligation of the Bank and not TD.

The Bank will provide copies of the publicly available portions of the most recent quarterly Call Report of the Bank delivered to the Comptroller of the Currency, without charge, to each person to whom this document is delivered, on the written request of such person. Written requests should be directed to:

TD Bank, N.A.
P.O. Box 9540
Portland, ME 04112-9540
Attn: Corporate Communications
Mail Stop: ME 089-71

Information regarding the financial condition and results of operations of the Bank will be contained in the quarterly Call Reports of the Bank delivered to the Comptroller of the Currency and available online at <https://cdr.ffiec.gov/public>. General information regarding the Bank may be found in periodic filings made by TD with the SEC. TD is a foreign issuer that is permitted, under a multijurisdictional disclosure system adopted by the United States, to prepare certain filings with the SEC in accordance with the disclosure requirements of Canada, its home country. Canadian disclosure requirements are different from those of the United States. TD's financial statements are prepared in accordance with Canadian generally accepted accounting principles, and may be subject to Canadian auditing and auditor independence standards, and thus may not be comparable to financial statements of United States companies prepared in accordance with United States generally accepted accounting principles.

The delivery hereof shall not create any implication that there has been no change in the affairs of TD or the Bank since the date hereof, or that the information contained or referred to in this Part 4 is correct as of any time subsequent to its date.

NEITHER TD NOR ANY OTHER SUBSIDIARY OF TD OTHER THAN THE BANK IS OBLIGATED TO MAKE PAYMENTS UNDER THE LETTERS OF CREDIT.

The Bank is responsible only for the information contained in this section of the Official Statement and did not participate in the preparation of, or in any way verify the information contained in, any other part of the Official Statement. Accordingly, the Bank assumes no responsibility for and makes no representation or warranty as to the accuracy or completeness of information contained in any other part of the Official Statement.

PART 5 — THE SERIES 2009 PROJECT

A portion of the Proceeds of the Series 2009 Bonds will be used for the financing or refinancing of the construction and equipping of a new approximately 200 bed student dormitory and an approximately 36 space adjacent surface parking lot to be located at One Campus Road, Staten Island, New York.

PART 6 — COLLEGE’S REFINANCING OF PREVIOUSLY ISSUED TAXABLE BONDS

Concurrently with the issuance by the Authority of the Series 2009 Bonds, the College will obtain the Bank Loan to refinance the Taxable Bonds and intends to enter into the Hedge Agreement. The Loan Agreement will be secured on a parity basis with the Bank Credit Facilities with respect to the security interest in the Gross Receipts. The Bank Credit Facilities and the Loan Agreement will be secured by mortgages encumbering the College campus and, in the event of a foreclosure of any such mortgage, foreclosure proceeds will be shared on a pro rata basis. See “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE BONDS – The Intercreditor Agreement.”

PART 7 — ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds are as follows:

Sources of Funds

Principal Amount of Series 2009 Bonds	<u>\$30,500,000</u>
Total Sources	<u>\$30,500,000</u>

Uses of Funds

Deposit to Series 2009 Construction Fund ...	\$27,388,918
Deposit to Capitalized Interest Account	750,235
Deposit to Debt Service Reserve Fund	1,085,576
Costs of Issuance ¹	1,148,696
Underwriter’s Discount	<u>126,575</u>
Total Uses	<u>\$30,500,000</u>

¹ Includes legal, consulting, letter of credit fees, state bond issuance charge and associated costs relating to the Series 2009 Bonds.

PART 8 — THE COLLEGE

GENERAL INFORMATION

History of the College:

Wagner College is an independent, comprehensive higher education institution located on Staten Island in New York City. The College was founded by the Lutheran Church of America in 1883 in Rochester, New York and later moved to Staten Island on a collection of estates that included a Vanderbilt property and the American residence of British shipping magnate Sir Edward Cunard. Today, Wagner College is a largely residential undergraduate institution drawing traditional age, full-time college students heavily from the mid-Atlantic and northeastern U.S. with other students from the majority of states in the U.S. and foreign countries. The campus comprises 23 buildings, including a 300,000-volume library and three residence halls. In recent years, the College has been totally wired for fiber-optic communications including full internet and e-mail capability throughout all campus buildings including individual residence hall rooms, faculty offices and administrative offices. Wagner’s enrollment of over 2,000 students represents virtual capacity and is the result of a growing application rate in recent years that has permitted the College to improve the academic profile of its students through a more selective enrollment process. The College’s strategy has been to offer a broad-based undergraduate

education to academically promising students seeking the personal attention of a small private education, but also drawn to the many cultural, social and professional opportunities of New York City. Wagner offers undergraduate majors in over 35 disciplines including business, education, pre-med, pre-law, health care professions, the sciences, the humanities and social sciences, the arts and music and nursing. Additionally, Wagner offers graduate studies in business (MBA), nursing, education and microbiology. Wagner has a full array of intercollegiate athletics and is a member of the NCAA Division I. The College is an invited member of the National Association of Secondary School Principals' Common Application and the Institute for European and Asian Studies. Wagner is accredited by the Middle States Association of Colleges and Schools and was most recently reaffirmed in 2001.

Academic Programs

Wagner College offers a wide menu of academic programs within the humanities, sciences, social sciences, performance and visual arts, education, business and nursing. In 1997, the College adopted The Wagner Plan for the Practical Liberal Arts which requires all undergraduate students to complete a comprehensive program emphasizing the liberal arts, experiential learning and multidisciplinary studies. The liberal arts form the foundation of the undergraduate experience, and all students complete a core program that introduces students to the breadth of human experience. Students engage one discipline in depth by completing a rigorous program in a chosen major. Finally, all undergraduates now are required to demonstrate an understanding of the interrelated nature of problems by successfully completing several semesters of multidisciplinary and integrated studies and experiential learning requirements.

The liberal arts core program includes requirements in literature and the humanities, history, the social sciences, writing, speech, mathematics, computer literacy, laboratory science, and the arts. The core program constitutes approximately 40% of the undergraduate program. The major program may not exceed 45% of the undergraduate requirements.

Communication skills in writing, speaking and information technology are critical competencies for the contemporary undergraduate. The Wagner curriculum requires all of its graduates to achieve effective levels of communication in each of these areas by fulfilling course requirements and proficiency exams. All major programs as well as the general education core require demonstrated communication skills.

The Ph.D. or the relevant terminal degree is required for ongoing and tenured faculty appointments at the College. All faculty members teaching in the required First Year Program are drawn exclusively from the full-time faculty, as is every first-year student advisor/mentor.

Given its location in New York City, Wagner College has long emphasized experiential learning, internships, mentorships, practicum and studio and clinical sessions. In addition, community based and service learning courses link the liberal arts core to the greater community.

Governance

Wagner College is governed by a Board of Trustees consisting of a maximum of 35 members including the College's President. Trustees, with the exception of the President, are elected by the Board for a three-year renewable term up to a 12-year limit but may be re-elected after one year. The full Board meets a minimum of four times annually. In addition, an Executive Committee of the Board meets between full Board meetings and is empowered to act on behalf of the Board on specific matters requiring attention prior to the next full Board meeting.

The current members of the Board of Trustees are:

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**Margaret Bambach Buck
Reynolds, '40, H '98**
Volunteerism

The President of the College, who is a member of the Board of Trustees, is appointed by the Board of Trustees and serves as the officer responsible for the administration of the College. All other senior officers are appointed by the President. Senior executive officers are listed below:

Dr. Richard Guarasci	President and Chief Executive Officer
Dr. Devorah Lieberman	Provost and Chief Academic Officer
Dr. Thomas C. Carroll	Vice President for Finance & Administration and Chief Financial Officer
Angelo Araimo	Vice President and Chief Enrollment Officer
Myra Garcia	Vice President for Institutional Advancement
Joseph Romano	Vice President for Communications
David Martin	Chief of Staff
James D. Patterson	Associate Vice President for Finance & Treasurer

Faculty

As of the beginning of academic year 2008-09, the total faculty members employed by the College numbered 253, of whom 105 served full-time; 70 of the full-time faculty members held tenure. The majority of the College's full-time faculty are appointed within one of the four principal academic ranks: Professor, Associate Professor, Assistant Professor, and Instructor.

Employees and Labor Relations

In addition to Wagner College's faculty, the College employs 360 people consisting of 270 full-time and 90 part-time administrative, clerical and technical staff. The College has collective bargaining agreements with Local 32B-32J of the Service Employees International Union representing 25 custodial employees, Local 30-30A of the International Union of Operating Engineers representing nine maintenance employees, Local 3 of the International Brotherhood of Electrical Workers representing 12 maintenance employees and Local 1 of the Security Officers Union representing 14 security officers. The College's faculty and administrative officers are not subject to any collective bargaining agreements. The College considers its relationship with the unions and with its faculty, staff and other employees to be good.

Campus Facilities

The College's facilities at present include 23 buildings for academic, administrative, athletic, residential and dining hall purposes in Staten Island, New York. The Horrmann Library contains over 300,000 volumes in support of undergraduate and graduate academic programs. All library facilities are computerized and readily share information and resources on an intra- and inter-net library loan basis. The College recently completed a number of enhancements to Campus facilities

including fire sprinkler installation in student residence halls, improvements in Campus grounds amenities and the installation of artificial turf on its football field.

OPERATING INFORMATION

Admissions

Wagner College has experienced a significant change in its student population over the past ten years as measured by both quality and quantity. The Wagner College student of today is typically a resident student (84% of incoming freshmen) with an average SAT of 1130 and an average secondary school grade point average of 88.4. The 2008 freshman class represents 32 states and 4 foreign countries.

Improvements have been made in several areas of the College to enhance the quality of the academic and co-curricular experiences for its enrolled students. Among these changes are:

- (a) a curriculum in which
 - i. experiential learning is linked to interdisciplinary courses during the freshman and senior years, taking advantage of opportunities to “learn by doing” that are available in the NYC metropolitan area;
 - ii. students enroll in three academic “learning communities” over the course of four years, providing students with examples of the relationships which exist between subject matter of seemingly unrelated topics;
 - iii. freshmen are enrolled in two courses taught by their faculty advisor and three courses with a shared student cohort;
- (b) an expanded Center for Career Development and Experiential Learning which centralizes all campus-based employment, experiential learning placements, mentorships, internships, part-time jobs and job placement after graduation, and which actively uses the College’s alumni to identify superior career opportunities for its students;
- (c) a combined center for writing and peer tutoring.

The College’s admission statistics during the last five years is outlined below:

ADMISSIONS

	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
Applications	2516	2858	2862	2842	3012
Acceptances	1685	1751	1698	1716	1831
Acceptance Rate	67%	61.3%	59.3%	60.4%	60.8%
Matriculants	491	579	529	524	480
Yield (1)	29.1%	33.1%	31.2%	30.5%	26.2%
% from Out of State	55%	65%	57%	57%	61%
Top 10% of Class	12%	17%	18%	18%	17%
Median Combined SAT	1112	1125	1115	1130	1130

(1) Ratio of matriculating students to acceptances.

Enrollment

The College's enrollment during the last five years is outlined below:

ENROLLMENT

	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
Undergraduate Full Time/ Equivalents (FTE) Equivalents	1890	1909	1901	1910	1893
Undergraduate Head Count	1929	1962	1941	1935	1924
Graduate FTE	255	259	280	298	302
Graduate Head Count	330	325	339	359	370
Total Enrollment FTE	2145	2168	2181	2208	2195
Total Head Count	2259	2287	2280	2294	2294

Comprehensive Fee

The College's comprehensive fee covers tuition, room and board and fees.

COMPREHENSIVE FEE

	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
Tuition	\$23,900	\$25,350	\$27,300	\$29,400	\$30,900
Room & Board	\$7,500	\$7,950	\$8,400	\$8,900	\$9,250
Required Fees	-0-	-0-	\$100	\$100	\$150
Total	<u>\$31,400</u>	<u>\$33,300</u>	<u>\$35,800</u>	<u>\$38,400</u>	<u>\$40,300</u>

Financial Aid

On an institution-wide basis, approximately 94% of the full-time undergraduate population receives some form of financial assistance, and approximately 66% of these students receive institutional scholarships and grants.

The College participates in federal and state financial aid programs including Federal Pell Grants (Pell), Federal Supplemental Educational Opportunity Grants (SEOG), Federal Perkins (Perkins) and Federal Nursing loans (FNL), Family Educational Loan Program (FFELP), Federal College Work-Study (FCWS) and the New York State Tuition Assistance Program (TAP).

The following table illustrates the sources and amounts of financial aid received by the College's students for the last five academic years:

FINANCIAL AID

	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Institutional Scholarships	\$15,398,693	\$16,665,454	\$18,197,987	\$19,573,307	\$21,152,954
TAP	\$1,164,031	\$1,146,539	\$1,100,731	\$1,046,543	\$901,904
Pell	\$775,682	\$799,389	\$762,349	\$720,900	\$721,787
SEOG	\$316,950	\$282,386	\$309,350	\$254,700	\$216,790
Perkins	\$541,600	\$528,200	\$510,500	\$502,473	\$460,850
FFELP	\$10,184,430	\$10,780,564	\$10,867,482	\$12,070,361	\$11,182,564
FNL	\$144,100	\$55,322	\$113,127	\$116,144	\$96,300
FCWS	<u>\$265,495</u>	<u>\$250,336</u>	<u>\$253,309</u>	<u>\$280,051</u>	<u>\$304,481</u>
	<u>\$28,790,981</u>	<u>\$30,508,190</u>	<u>\$32,114,835</u>	<u>\$34,564,479</u>	<u>\$35,037,630</u>

ANNUAL FINANCIAL STATEMENT INFORMATION

Selected Financial Data

The College's most recent financial statements, together with the report of the College's independent accountants with respect thereto, are included as Appendix B to the Official Statement. The following table summarizes the revenues, expenses, and changes in net assets for the College for each of the last five years. For complete financial statements of the College for the fiscal years ended August 31, 2008 and 2007, see the financial statements and accompanying notes included in Appendix B.

Financial Summary
Of Statements of Activities
(Years Ended August 31, 2004-2008)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Changes in unrestricted net assets:					
Revenue and gains:					
Tuition and fees	\$46,993,888	\$50,621,843	\$54,462,894	\$59,948,534	\$63,875,528
Less scholarship and fellowships	<u>(15,398,693)</u>	<u>(16,665,454)</u>	<u>(18,197,987)</u>	<u>(19,573,307)</u>	<u>(21,152,954)</u>
Net tuition and fees	31,595,195	33,956,389	36,264,907	40,375,227	42,722,574
Contributions	920,735	944,914	828,497	940,118	1,446,716
Government grants and contracts	576,224	553,717	614,489	845,863	818,123
State appropriations	210,950	188,832	194,347	226,836	219,777
Investment income	498,200	1,015,083	1,673,824	1,842,619	239,776
Auxiliary enterprises	11,289,195	12,179,017	12,710,630	13,804,519	14,446,342
Gain on settlement from Metropolitan Intercollegiate Basketball Association	—	7,412,463	634,159	414,498	373,981
Other sources	<u>754,685</u>	<u>739,062</u>	<u>859,952</u>	<u>823,424</u>	<u>859,256</u>
Total unrestricted revenues and gains	45,845,184	56,989,477	53,780,805	59,273,104	61,126,545
Net assets released from restrictions	<u>1,802,676</u>	<u>4,532,690</u>	<u>5,201,878</u>	<u>5,418,494</u>	<u>2,088,186</u>
Total unrestricted revenues, gains, and other support	<u>47,647,860</u>	<u>61,522,167</u>	<u>58,982,683</u>	<u>64,691,598</u>	<u>63,214,731</u>
Expenses:					
Instruction	14,571,351	15,532,013	17,062,490	18,729,773	19,595,049
Academic support	3,457,396	3,413,504	3,571,800	4,115,021	4,404,887
Student services	5,331,946	5,680,649	5,906,873	6,615,744	7,211,814
Institutional support	6,734,426	8,098,618	9,060,766	9,953,698	10,727,171
Auxiliary enterprises	<u>15,423,648</u>	<u>16,410,542</u>	<u>17,618,019</u>	<u>18,661,653</u>	<u>19,595,280</u>
Total expenses	<u>45,518,767</u>	<u>49,135,326</u>	<u>53,219,948</u>	<u>58,075,889</u>	<u>61,534,201</u>
Excess of unrestricted revenues, gains, and other support over expenses before cumulative effect of change in accounting principle	2,129,093	12,386,841	5,762,735	6,615,709	1,680,530
Cumulative effect of change in accounting principle	<u>—</u>	<u>—</u>	<u>(1,020,214)</u>	<u>—</u>	<u>—</u>
Increase in unrestricted net assets	<u>2,129,093</u>	<u>12,386,841</u>	<u>4,742,521</u>	<u>6,615,709</u>	<u>1,680,530</u>
Changes in temporarily restricted net assets:					
Contributions	1,784,327	1,675,430	1,762,439	10,903,154	2,241,717
Investment (loss) income	1,015,652	2,758,856	2,228,091	5,344,227	(1,414,690)
Net assets released from restrictions	<u>(1,802,676)</u>	<u>(4,532,690)</u>	<u>(5,201,878)</u>	<u>(5,418,494)</u>	<u>(2,088,186)</u>
Transfer from/to permanently restricted net assets	<u>—</u>	<u>—</u>	<u>—</u>	<u>(1,128,425)</u>	<u>750,000</u>
Increase (decrease) in temporarily restricted net assets	<u>997,303</u>	<u>(98,404)</u>	<u>(1,211,348)</u>	<u>9,700,462</u>	<u>(511,159)</u>
Changes in permanently restricted net assets:					
Contributions	6,999,633	884,223	1,610,406	4,052,317	1,530,788
Investment (loss) income	235,174	402,075	497,977	616,883	(186,285)
Transfer to/from temporarily restricted net assets	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,128,425</u>	<u>(750,000)</u>
Increase in permanently restricted net assets	<u>7,234,807</u>	<u>1,286,298</u>	<u>2,108,383</u>	<u>5,797,625</u>	<u>594,503</u>
Increase in net assets	10,361,203	13,574,735	5,639,556	22,113,796	1,763,874
Net assets at beginning of year	<u>17,013,256</u>	<u>27,374,459</u>	<u>40,949,194</u>	<u>46,588,750</u>	<u>68,702,546</u>
Net assets at end of year	<u>\$27,374,459</u>	<u>\$40,949,194</u>	<u>\$46,588,750</u>	<u>\$68,702,546</u>	<u>\$70,466,420</u>

Financial Summary
Of Balance Sheets
(August 31, 2004-2008)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Assets					
Cash and cash equivalents	\$11,513,608	\$14,121,047	\$13,759,700	\$14,115,609	\$10,256,697
Accounts receivable, less allowance for doubtful accounts	387,149	707,380	663,140	723,519	1,129,453
Inventory, prepaids and other assets	566,397	942,633	581,694	796,356	716,426
Contributions receivable, net	2,098,719	2,615,095	1,048,967	10,853,988	10,950,120
Investments	22,848,662	27,107,525	34,717,430	45,579,858	46,086,341
Notes receivable, less allowance for doubtful loans	2,192,916	2,181,827	2,283,613	2,356,427	2,581,576
Other receivables	—	7,412,463	6,989,855	5,404,353	5,778,334
Amounts held by bond trustees	5,200,376	5,235,345	5,401,597	5,599,390	5,659,836
Bond issuance costs	2,401,761	2,301,688	2,201,615	2,101,542	2,001,469
Property, plant and equipment	40,051,898	38,844,210	40,672,975	44,811,782	46,878,483
Total Assets	<u>\$87,261,486</u>	<u>\$101,469,213</u>	<u>\$108,320,586</u>	<u>\$132,342,824</u>	<u>\$132,038,735</u>
Liabilities					
Accounts payable and accrued expenses	2,760,789	2,902,727	3,973,614	4,435,203	4,359,436
Deferred revenue	12,749,964	14,369,394	14,402,118	16,996,724	16,221,579
Student deposits	326,228	334,877	359,764	374,978	405,964
Amounts held for others	88,345	72,518	135,000	155,231	169,064
Postretirement benefit obligation	177,008	174,133	173,247	159,184	161,236
Long-term debt	41,765,724	40,570,308	39,285,757	37,991,200	36,586,300
Other liabilities	—	—	1,257,366	1,344,376	1,437,407
Refundable federal grants	2,018,969	2,096,062	2,144,970	2,183,382	2,231,329
Total Liabilities	<u>59,887,027</u>	<u>60,520,019</u>	<u>61,731,836</u>	<u>63,640,278</u>	<u>61,572,315</u>
Net Assets					
Unrestricted	(1,116,933)	11,269,908	16,012,429	22,628,138	24,308,668
Temporarily restricted	7,437,290	7,338,886	6,127,538	15,828,000	15,316,841
Permanently restricted	21,054,102	22,340,400	24,448,783	30,246,408	30,840,911
Total Net Assets	<u>27,374,459</u>	<u>40,949,194</u>	<u>46,588,750</u>	<u>68,702,546</u>	<u>70,466,420</u>
Total Liabilities and Net Assets	<u>\$87,261,486</u>	<u>\$101,469,213</u>	<u>\$108,320,586</u>	<u>\$132,342,824</u>	<u>\$132,038,735</u>

Investments

Endowment investments are overseen by the Investment Committee of the Board of Trustees. The Committee has the responsibility for maintaining the investment policy including the spending policy, asset allocation and rebalancing, and hiring managers and consultants. The Committee meets periodically with its three investment managers to review performance, asset allocation, investment style consistency with mandate, and personnel and organizational changes. Details can be found in Appendix B on page 7, note 3 of the financial statements.

The following table details the fair value of the investments for the past five fiscal years:

INVESTMENTS

(In Thousands of Dollars)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Total investments	<u>\$22,849</u>	<u>\$27,108</u>	<u>\$34,717</u>	<u>\$45,580</u>	<u>\$46,086</u>

At November 30, 2008, the fair value of the College’s investments totaled approximately \$35.4 million. The value of the College’s investments may be negatively impacted by adverse events in the financial markets.

Long-Term Indebtedness

Long-term debt obligations outstanding at August 31, 2007 and 2008 were \$37,991,200 and \$36,586,300, respectively. Details can be found in Appendix B on page 9, note 6 of the financial statements.

LITIGATION

Wagner College is a defendant in legal actions from time to time. The College maintains insurance with respect to defense costs and potential damage awards. Management of the College does not expect the ultimate resolution of such actions to have a material adverse effect on the College's financial position.

PART 9 — THE AUTHORITY

Background, Purposes and Powers

The Authority is a body corporate and politic constituting a public benefit corporation. The Authority was created by the Act for the purpose of financing and constructing a variety of facilities for certain independent colleges and universities and private hospitals, certain not-for-profit institutions, public educational institutions including The State University of New York, The City University of New York and Boards of Cooperative Educational Services (“BOCES”), certain school districts in the State, facilities for the Departments of Health and Education of the State, the Office of General Services, the Office of General Services of the State on behalf of the Department of Audit and Control, facilities for the aged and certain judicial facilities for cities and counties. The Authority is also authorized to make and purchase certain loans in connection with its student loan program. To carry out this purpose, the Authority was given the authority, among other things, to issue and sell negotiable bonds and notes to finance the construction of facilities of such institutions, to issue bonds or notes to refund outstanding bonds or notes and to lend funds to such institutions.

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

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

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

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

At December 31, 2008, the Authority had approximately \$37.7 billion aggregate principal amount of bonds and notes outstanding, excluding indebtedness of the Agency assumed by the Authority on September 1, 1995 pursuant to the Consolidation Act. The debt service on each such issue of the Authority’s bonds and notes is paid from moneys received by the Authority or the trustee from or on behalf of the entity having facilities financed with the proceeds from such issue or from borrowers in connection with its student loan program.

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

The total amounts of the Authority bonds and notes (excluding debt of the Agency assumed by the Authority on September 1, 1995 pursuant to the Consolidation Act) outstanding at December 31, 2008 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	12,199,467,999	5,255,462,634	0	5,255,462,634
Upstate Community Colleges of the State University of New York	1,431,000,000	608,320,000	0	608,320,000
Senior Colleges of the City University of New York	9,605,001,762	2,890,614,213	0	2,890,614,213
Community Colleges of the City University of New York	2,364,178,350	514,260,787	0	514,260,787
BOCES and School Districts.....	2,000,366,208	1,488,605,000	0	1,488,605,000
Judicial Facilities.....	2,161,277,717	731,557,717	0	731,557,717
New York State Departments of Health and Education and Other	4,793,390,000	3,258,425,000	0	3,258,425,000
Mental Health Services Facilities.....	6,368,100,000	3,823,725,000	0	3,823,725,000
New York State Taxable Pension Bonds.....	773,475,000	0	0	0
Municipal Health Facilities Improvement Program	<u>985,555,000</u>	<u>802,230,000</u>	<u>0</u>	<u>802,230,000</u>
Totals Public Programs	<u>\$ 44,932,008,036</u>	<u>\$ 20,347,960,351</u>	<u>\$ 0</u>	<u>\$ 20,347,960,351</u>

<u>Non-Public Programs</u>	<u>Bonds Issued</u>	<u>Bonds Outstanding</u>	<u>Notes Outstanding</u>	<u>Bonds and Notes Outstanding</u>
Independent Colleges, Universities and Other Institutions	\$ 16,700,711,020	\$ 8,225,813,995	\$184,725,000	\$ 8,410,538,995
Voluntary Non-Profit Hospitals	13,422,604,309	7,940,035,000	0	7,940,035,000
Facilities for the Aged.....	1,996,020,000	1,011,180,000	0	1,011,180,000
Supplemental Higher Education Loan Financing Program.....	<u>95,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Totals Non-Public Programs	<u>\$ 32,214,335,329</u>	<u>\$ 17,177,028,995</u>	<u>\$184,725,000</u>	<u>\$ 17,361,753,995</u>
Grand Totals Bonds and Notes.....	<u>\$ 77,146,343,365</u>	<u>\$ 37,524,989,346</u>	<u>\$184,725,000</u>	<u>\$ 37,709,714,346</u>

Outstanding Indebtedness of the Agency Assumed by the Authority

At December 31, 2008, the Agency had approximately \$381.9 million aggregate principal amount of bonds outstanding, the obligations as to all of which have been assumed by the Authority. The debt service on each such issue of bonds is paid from moneys received by the Authority (as successor to the Agency) or the trustee from or on behalf of the entity having facilities financed with the proceeds from such issue.

The total amounts of the Agency's bonds (which indebtedness was assumed by the Authority on September 1, 1995) outstanding at December 31, 2008 were as follows:

<u>Public Programs</u>	<u>Bonds Issued</u>	<u>Bonds Outstanding</u>
Mental Health Services Improvement Facilities.....	<u>\$ 3,817,230,725</u>	<u>\$ 0</u>
<u>Non-Public Programs</u>	<u>Bonds Issued</u>	<u>Bonds Outstanding</u>
Hospital and Nursing Home Project Bond Program.....	\$ 226,230,000	\$ 3,255,000
Insured Mortgage Programs	6,625,079,927	370,965,939
Revenue Bonds, Secured Loan and Other Programs.....	<u>2,414,240,000</u>	<u>7,670,000</u>
Total Non-Public Programs.....	<u>\$ 9,265,549,927</u>	<u>\$ 381,890,939</u>
Total MCFFA Outstanding Debt.....	<u>\$ 13,082,780,652</u>	<u>\$ 381,890,939</u>

Governance

The Authority carries out its programs through an eleven-member board, a full-time staff of approximately 660 persons, independent bond counsel and other outside advisors. Board members include the Commissioner of Education of the State, the Commissioner of Health of the State, the State Comptroller or one member appointed by him or her who serves until his or her successor is appointed, the Director of the Budget of the State, one member appointed by the Temporary President of the State Senate, one member appointed by the Speaker of the State Assembly and five members appointed by the Governor, with the advice and consent of the Senate, for terms of three years. At present, the Board member position that is filled by an appointment by the Temporary President of the State Senate is currently vacant. 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:

GAIL H. GORDON, Esq., *Chair*, Slingerlands.

Gail H. Gordon was appointed as a Member of the Authority by the Governor on May 10, 2004. Ms. Gordon served as Deputy Commissioner and General Counsel for the Office of Children and Family Services from September 15, 1997 to December 31, 2006. She previously was of counsel to the law firm of Helm, Shapiro, Anito & McCale, P.C., in Albany, New York, where she was engaged in the private practice of law. From 1987 to 1993, Ms. Gordon served as Counsel to the Comptroller of the State of New York where she directed a legal staff of approximately 40 attorneys, was responsible for providing legal and policy advice to the State Comptroller and his deputies in all areas of the State Comptroller's responsibilities, including the supervision of accounts of public authorities and in the administration, as sole trustee, of the New York State Employees Retirement System and the Policemen's and Firemen's Retirement System. She served as Deputy Counsel to the Comptroller of the State of New York from 1983 to 1987. From 1974 to 1983, Ms. Gordon was an attorney with the law firm of Hinman, Howard & Kattell, Binghamton, New York, where she concentrated in areas of real estate, administrative and municipal law. Ms. Gordon holds a Bachelor of Arts degree from Smith College and a Juris Doctor degree from Cornell University School of Law. Ms. Gordon's term expired on March 31, 2007 and by law she continues to serve until a successor shall be chosen and qualified.

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

John B. Johnson, Jr. was appointed as a Member of the Authority by the Governor on April 26, 2004. 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., 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 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 expires on March 31, 2009.

ANTHONY B. MARTINO, CPA, Buffalo.

Mr. Martino was appointed as a Member of the Authority by the Governor on April 26, 2004. 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.

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.

RICHARD P. MILLS, *Commissioner of Education of the State of New York*, Albany; *ex-officio*.

Dr. Mills became Commissioner of Education on September 12, 1995. Prior to his appointment, Dr. Mills served as Commissioner of Education for the State of Vermont since 1988. From 1984 to 1988, Dr. Mills was Special Assistant to Governor Thomas H. Kean of New Jersey. Prior to 1984, Dr. Mills held a number of positions within the New Jersey Department of Education. Dr. Mills' career in education includes teaching and administrative experience at the secondary and postsecondary education levels. Dr. Mills holds a Bachelor of Arts degree from Middlebury College and a Master of Arts, a Master of Business Administration and a Doctor of Education degree from Columbia University.

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

Ms. Anglin was appointed Budget Director on January 1, 2008. As Budget Director, she 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. Ms. Anglin previously served as First Deputy Budget Director from January 2007 to December 2007. She was appointed Deputy Comptroller of the Division of Retirement Services in January 2003 and was responsible for overseeing the administration and managing the operations of the New York State and Local Retirement System. From 1996-2003, Ms. Anglin worked in the New York State Assembly where she served as Director of Budget Studies for the Assembly Ways and Means Committee and as First Deputy Fiscal Director for the Committee. Ms. Anglin has also held the position of Econometrician in the Department of Taxation and Finance from 1992-1996 and began her career as an Economist for the Department of Environmental Conservation. Ms. Anglin holds a Bachelor of Arts degree and a Masters degree in Economics from the State University of New York at Albany.

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.

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 has obtained the approval of the PACB for the issuance of the Series 2009 Bonds and the approval necessary to proceed with the reoffering of the Series 1998 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, 2008. Copies of the most recent audited financial statements are available upon request at the offices of the Authority.

PART 10 — LEGALITY OF THE BONDS FOR INVESTMENT AND DEPOSIT

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

PART 11 — NEGOTIABLE INSTRUMENTS

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

PART 12 — TAX MATTERS

The Series 2009 Bonds

In the opinion of Bond Counsel, under existing law and assuming compliance by the Authority and the College with certain covenants and the accuracy and completeness of certain representations of the Authority and the College, interest on the Series 2009 Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax on individuals and corporations. However, interest on the Series 2009 Bonds is taken into account in determining adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax imposed on such corporations. Corporate purchasers of the Series 2009 Bonds should contact their tax advisers concerning the computation of any alternative minimum tax.

The Internal Revenue Code of 1986, as amended to the date hereof (the “Code”), imposes various requirements that must be met in order that interest on the Series 2009 Bonds will be and remain excludable from gross income for federal income tax purposes. Included among these requirements are restrictions on the investment and use of proceeds of the Series 2009 Bonds and the rebate of certain earnings in respect of such investments to the United States. Failure to comply with the requirements of the Code may cause interest on the Series 2009 Bonds to be includable in gross income for purposes of federal income tax retroactive to the date of original execution and delivery of the Series 2009 Bonds, regardless of the date on which the event causing such inclusion occurs. The Authority and the College have covenanted in the Resolution, the Loan Agreement and the Tax Compliance Agreement to comply with the requirements of the Code and have made representations in such documents addressing various matters relating to the requirements of the Code. The opinion of Bond Counsel assumes continuing compliance with such covenants as well as the accuracy of such representations made by the Authority and the College.

Certain requirements and procedures contained or referred to in the Resolution, the Loan Agreement, the Tax Compliance Agreement and other relevant documents may be changed, and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice or with the approving opinion of Bond Counsel. The opinion of Hiscock & Barclay, LLP states that such firm, as Bond Counsel, expresses no opinion as to any Series 2009 Bond or the interest thereon if any such change occurs or action is taken upon the advice or approval of Bond Counsel other than Hiscock & Barclay, LLP.

Prospective purchasers of the Series 2009 Bonds should be aware that ownership of, accrual or receipt of interest on, or disposition of the Series 2009 Bonds may have collateral federal income tax consequences for certain taxpayers, including financial institutions, insurance companies, Subchapter S Corporations, certain foreign corporations, individual recipients of social security or railroad retirement benefits, individuals benefiting from the earned income credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their tax advisers as to any possible collateral consequences of their ownership of, accrual or receipt of interest on, or disposition of the Series 2009 Bonds. Bond Counsel expresses no opinion regarding any such collateral federal income tax consequences.

Interest paid on tax-exempt obligations is subject to information reporting to the Internal Revenue Service (the “IRS”) in a manner similar to interest paid on taxable obligations. Although information reporting does not, in and of itself, affect the excludability of such interest from gross income for federal income tax purposes, the reporting requirement causes payment of interest on the Series 2009 Bonds to be subject to backup withholding. Interest on the Series 2009 Bonds may be subject to backup withholding if such interest is paid to a registered owner who or which (i) fails to provide certain identifying information (such as the registered owner’s taxpayer identification number) in the manner required by the IRS, or (ii) has been identified by the IRS as being subject to backup withholding. Amounts withheld under the backup withholding rules will be paid to the IRS as federal income tax withheld on behalf of the registered owner of the Series 2009 Bonds and will be allowed as a refund or credit against such owner’s federal income tax liability (or the federal income tax liability of the beneficial owner of the Series 2009 Bonds, if other than the registered owner).

In the opinion of Bond Counsel, interest on the Series 2009 Bonds is exempt, under existing statutes, from personal income taxes of the State of New York and its political subdivisions, as applicable. See “Appendix F – Form of Approving Opinion of Bond Counsel for Series 2009 Bonds”. The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel’s judgment as to the proper treatment of the Series 2009 Bonds for federal income tax purposes. It is not binding on the IRS or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Authority or the College, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS.

The Series 1998 Bonds

On the date of delivery of the Series 1998 Bonds, Hawkins Delafield & Wood LLP, Bond Counsel to the Authority in connection with the issuance of the Series 1998 Bonds, delivered its opinion with respect to the tax status of the Series 1998 Bonds, in the form attached hereto as Appendix G “Original Approving Opinion of Bond Counsel for the Series 1998 Bonds”. **Such opinion has not been reissued in connection with the reoffering of the Series 1998 Bonds.**

General

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Authority in connection with the issuance of the Series 1998 Bonds, which opinion was delivered on the date of issuance of the Series 1998 Bonds, under applicable statutes and court decisions in effect on the date of issuance of the Series 1998 Bonds, and assuming compliance with certain tax covenants, interest on the Series 1998 Bonds is not included in gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and interest on the Series 1998 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 is, however, included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed with respect to such corporations.

Hawkins Delafield & Wood LLP also delivered an opinion on the date of issuance of the Series 1998 Bonds that, under existing statutes, interest on the Series 1998 Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral Federal income tax matters with respect to the Series 1998 Bonds. It does not purport to address all aspects of Federal taxation that may be relevant to a particular owner of a Series 1998 Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the Federal tax consequences of owning and disposing of the Series 1998 Bonds.

Prospective owners of the Series 1998 Bonds should be aware that the ownership of such obligations may result in collateral Federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for Federal income tax purposes. Interest on Series 1998 Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest (including original issuance discount) on tax-exempt obligations, including the Series 1998 Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, “Request for Taxpayer Identification Number and Certification”, or unless the recipient is one of a limited class of exempt recipients, including corporations. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding,” which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing Series 1998 Bonds through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event,

backup withholding does not affect the excludability of the interest on the Series 1998 Bonds from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's Federal income tax once the required information is furnished to the Internal Revenue Service.

PART 13 — STATE NOT LIABLE ON THE 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 Bonds are not a debt of the State and that the State is not liable on them.

PART 14 — 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 15 — LEGAL MATTERS

Certain legal matters incidental to the authorization and issuance of the Series 2009 Bonds by the Authority are subject to the approval of Hiscock & Barclay, LLP, Albany, New York, Bond Counsel, whose approving opinion will be delivered with the issuance of the Series 2009 Bonds. The proposed form of Bond Counsel's opinion is set forth in Appendix F hereto.

On the date of original issuance of the Series 1998 Bonds, legal opinions were delivered with respect to the legality and tax status of the Series 1998 Bonds by Hawkins Delafield & Wood LLP, New York, New York. A copy of the original opinion of Bond Counsel for the Series 1998 Bonds is attached hereto in Appendix G.

Certain legal matters will be passed upon for the College by its Counsels, Russo, Scamardella & D'Amato, P.C., Staten Island, New York and Hawkins Delafield & Wood LLP, New York, New York. Certain legal matters will be passed upon for the Underwriter by its counsel, Nixon Peabody LLP, Rochester, New York. Certain legal matters will be passed upon for the Bank by its counsel, Wilentz Goldman & Spitzer P.A., Woodbridge, New Jersey.

There is not now pending any litigation restraining or enjoining the issuance or delivery of the Series 2009 Bonds or questioning or affecting the validity of the Series 2009 Bonds or the proceedings and authority under which they are to be issued.

PART 16 — UNDERWRITING AND REOFFERING

TD Securities (USA) LLC (the "Underwriter"), will agree, subject to certain conditions, to purchase the Series 2009 Bonds from the Authority at an aggregate purchase price of \$30,373,425 which represents the par amount of the Series 2009 Bonds, less the Underwriter's discount of \$126,575, and to make a public offering of Series 2009 Bonds at prices that are not in excess of the public offering prices stated on the cover of this Official Statement. The Underwriter will be obligated to purchase all such Series 2009 Bonds if any are purchased.

The Series 2009 Bonds may be offered and sold to certain dealers (including the Underwriter) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriter.

The 1998 Bonds are subject to mandatory tender on January 28, 2009, the Remarketing Agent has agreed to purchase the Series 1998 Bonds at an aggregate purchase price of par and to make a public offering of such Bonds

TD Securities (USA) LLC is also serving as Remarketing Agent with respect to the Series 1998 Bonds and the Series 2009 Bonds.

PART 17 — CONTINUING DISCLOSURE

The Series 2009 Bonds are, upon their issuance in the Weekly Mode, exempt from Rule 15c2-12 (the “Rule”) promulgated by the Securities and Exchange Commission, and the Authority, the College and the Bank will not be required to provide any continuing disclosure in accordance with the Rule.

PART 18 — RATINGS

Moody’s Investors Service (“Moody’s”) and Standard’s & Poor’s Rating Services, a division of The McGraw-Hill Companies (“S&P”), are expected to assign their ratings of “Aa2/VMIG1” and “AA-/A-1+”, respectively, to the Series 2009 Bonds, with the understanding that upon delivery of the Series 2009 Bonds, the Letter of Credit securing the Series 2009 Bonds will be issued by the Bank. Moody’s and S&P are expected to assign their ratings of “Aa2/VMIG1” and “AA-/A-1+”, respectively, to the Series 1998 Bonds, with the understanding that upon delivery of the Series 1998 Bonds, the Letter of Credit securing the Series 1998 Bonds will be issued by the Bank. Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from Moody’s at 99 Church Street, New York, New York 10007 and Standard & Poor’s Ratings Services, 55 Water Street, New York, New York 10041. There is no assurance that any rating will prevail for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

PART 19 — RELATIONSHIPS

TD Securities (USA) LLC, the Underwriter for the Series 2009 Bonds and the Remarketing Agent for the Series 2009 Bonds and the Series 1998 Bonds, is an affiliate with TD Bank, N.A., which is the issuer of the 2009 Letter of Credit and the 1998 Letter of Credit.

PART 20 — MISCELLANEOUS

References in this Official Statement to the Act, the Resolution, the Series 1998 Resolution, the 1998 Bond Series Certificate, the Series 2009 Resolution, the 2009 Bond Series Certificate, the Loan Agreement, the Mortgages, the Reimbursement Agreement, the Letters of Credit, the Assignment Agreements and the Intercreditor Agreement do not purport to be complete. Refer to the Act, the Resolution, the Series 1998 Resolution, the 1998 Bond Series Certificate, the Series 2009 Resolution, the 2009 Bond Series Certificate, the Loan Agreement, the Mortgages, the Reimbursement Agreement the Letters of Credit, the Assignment Agreements and the Intercreditor Agreement for full and complete details of their provisions. Copies of the Resolution, the Series 1998 Resolution, the 1998 Bond Series Certificate, the Series 2009 Resolution, the 2009 Bond Series Certificate, the Loan Agreement, the Mortgages, the Reimbursement Agreement, the Letters of Credit, the Assignment Agreements and the Intercreditor Agreement are on file with the Authority and the Trustee.

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

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

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

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

The information regarding the Bank and the Letters of Credit has been furnished by the Bank. No representation is made herein by the Authority, the College or the Underwriter as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof. None of the Authority, the College or the Underwriter has made any independent investigation of the Bank or its Letters of Credit.

“Appendix A — Certain Definitions,” “Appendix C — Summary of Certain Provisions of the Loan Agreement,” “Appendix D — Summary of Certain Provisions of the Resolution, the Series Resolutions and the Bond Series Certificates” and “Appendix F — Form of Approving Opinion of Bond Counsel for the Series 2009 Bonds” have been prepared by Hiscock & Barclay, LLP, Albany, New York, Bond Counsel.

“Appendix B — Financial Statements of Wagner College and Independent Auditors’ Report” contains the audited financial statements of the College as of and for the years ended August 31, 2008 and 2007 and the report of the College’s independent accountants, KPMG LLP, on such financial statements.

“Appendix E — Summary of Certain Provisions of the Reimbursement Agreement” has been prepared by Wilentz Goldman & Spitzer P.A., Woodbridge, New Jersey, Bank Counsel.

“Appendix G — Original Approving Opinion of Bond Counsel for the Series 1998 Bonds” was the approving opinion delivered by Hawkins Delafield & Wood LLP, New York, New York upon the original issuance of the Series 1998 Bonds.

The College has reviewed the parts of this Official Statement describing the College, the Principal and Interest Requirements, the Series 2009 Project, the Estimated Sources and Uses of Funds and Appendix B. The College, as a condition to issuance of the Series 2009 Bonds and the reoffering of the Series 1998 Bonds, is required to certify that as of the date of this Official Statement, such parts do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which the statements are made, not misleading.

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

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

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

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

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CERTAIN DEFINITIONS

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CERTAIN DEFINITIONS

The following definitions of certain of the terms defined in the Resolution, the Series Resolution or the Loan Agreement and used in this Official Statement.

Act means the Dormitory Authority Act, being and constituting Title 4 of Article 8 of the Public Authorities Law, as amended;

Additional Bonds means any parity Bonds issued under the Resolution subsequent to the issuance of the first Series of Bonds under the Resolution;

Alternative Parity Indebtedness means any Indebtedness issued by the Institution or any other issuer on behalf of the Institution in accordance with the provisions of the Resolution and the Institution Indenture and secured on a parity with the Bonds by a mortgage on the Mortgaged Property and/or a security interest in Gross Receipts;

Annual Administrative Fee means the fee payable during each Bond Year for the general administrative and supervisory expenses of the Authority in an amount more particularly described in Schedule A attached to the Loan Agreement;

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

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

1998 Authority Available Moneys Account means the account so designated and established within the Debt Service Fund pursuant to the 1998 Bond Series Certificate;

2009 Authority Available Moneys Account means the account so designated and established within the Debt Service Fund pursuant to the 2009 Bond Series Certificate;

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

Authorized Denominations means (i) during any Daily Rate Period or any Weekly Rate Period, \$100,000 or any integral multiple of \$5,000 in excess thereof, and (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, Vice-Chair, Executive Director, Deputy Executive Director, General Counsel and Assistant Secretary, Chief Financial Officer and Treasurer, Managing Director of Policy and Program Development, Managing Director of Public Finance, Chief Information Officer, Deputy General Counsel and Assistant Secretary, Associate General Counsel and Assistant Secretary, Assistant General Counsel and Assistant Secretary, Director of Budget and Assistant Treasurer, Assistant Director, Asset Management and Assistant Treasurer, 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 Institution, any officer of the Institution, and when used with reference to any act or document, means the person or persons authorized by a resolution or the by-laws of the Institution, or designated in writing by an officer of the Institution to act on such officer's behalf, to perform such act or execute such document; and (iii) in the case of the Trustee, the President, a Vice President, a Corporate Trust Officer, an Assistant Corporate

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Trust Officer, a Trust Officer or an Assistant Trust Officer of the Trustee, and when used with reference to any act or document also means any other person authorized to perform any act or sign any document by or pursuant to a resolution of the Board of Directors of the Trustee or the by-laws of the Trustee;

Available Moneys means with respect to the Series 1998 Bonds, (i) proceeds from a draw on the Letter of Credit, (ii) amounts that have been held on deposit in the Institution Payments Accounts of the Debt Service Fund segregated from all other money or in another segregated account for the payment of principal or the Redemption Price of or interest on the Series 1998 Bonds for 124 days during which no petition in bankruptcy has been filed or similar proceedings instituted with respect to the Institution or the Authority (unless such petition or proceedings have been dismissed), and (iii) any other amounts with respect to which the Trustee and each Rating Service then rating the Series 1998 Bonds received an opinion of counsel with expertise in bankruptcy matters that payments of such amounts to Bondholders would not be subject to the transfer avoidance powers of a trustee in bankruptcy of the Institution or the Authority under Sections 544 and 547 of the United States Bankruptcy Code; and with respect to the Series 2009 Bonds, means (i) proceeds of any Series of Bonds, including, without limitation, Refunding Bonds, or proceeds of other bonds, notes or obligations, issued to refund the Series 2009 Bonds expressly available to pay the principal or Redemption Price of or interest on the Series 2009 Bonds, provided that, as to such proceeds, an opinion of counsel experienced in bankruptcy matters is delivered to the Trustee and each Rating Service then rating the Series 2009 Bonds to the effect that the payment of such proceeds to the holders of the Series 2009 Bonds would not constitute transfers avoidable under 11 U.S.C. § 547(b) and recoverable from the holders of the Series 2009 Bonds under 11 U.S.C. § 550(a) if the Authority or the Institution were the debtor in a case under the Bankruptcy Code; (ii) money derived from drawings under any Credit Facility or Liquidity Facility relating to the Series 2009 Bonds and the investment earnings thereon that are not commingled with any other moneys, (iii) with respect to Option Bonds, moneys derived from the remarketing of such Bonds that are directly paid to or held by the Tender Agent for the payment of the Purchase Price of such Bonds in accordance with the Bond Series Certificate, (iv) money held by the Trustee (other than in the Arbitrage Rebate Fund or the 2009 Institution Payments Account) and subject to a first-priority perfected lien under the Resolution for a period of at least 123 days (or, in the case of any money provided by a person that is an “insider” of the Institution under 11 U.S.C. §101(31), one year) and not commingled with any moneys so held for less than said period and during which period no petition in bankruptcy was filed by or against, and no receivership, insolvency, assignment for the benefit of creditors or other similar proceeding has been commenced by or against, the Authority or any Institution unless such petition or proceeding was dismissed and all applicable appeal periods have expired without an appeal having been filed, and the investment earnings thereon, that are not commingled with any other moneys, or (v) any money as to which an opinion of counsel experienced in bankruptcy matters is delivered to the Trustee and each Rating Service then rating the Series 2009 Bonds to the effect that the payment of such moneys to the holders of the Series 2009 Bonds as debt service or as the Purchase Price would not constitute transfers avoidable under 11 U.S.C. § 547(b) and recoverable from the holders of the Series 2009 Bonds under 11 U.S.C. § 550(a) if the Authority or an Institution were the debtor in a case under the Bankruptcy Code;

Bank, with respect to the Series 1998 Bonds, means TD Bank, N.A., the issuer of the Letters of Credit with respect to the Series 1998 Bonds. Upon the issuance of a Substitute Letter of Credit in accordance with the Series 1998 Resolution or Bond Series Certificate applicable thereto, “Bank” shall mean the banking association or corporation which shall have issued the Substitute Letter of Credit;

Bank Bonds means Bonds pledged to the Credit Facility Provider as security for payment thereof with amounts drawn under the initial Credit Facility, in its capacity as a Liquidity Facility, in accordance with the Reimbursement Agreement;

Bank Bond Rate means the per annum rate of interest applicable to Bank Bonds as provided in the Reimbursement Agreement;

Bank Loan means the loan in the original principal amount of up to \$25,000,000 made by TD Bank, N.A. to the Institution to refinance the Institution Bonds and discharge the Institution Bonds;

Bank Mortgage means the mortgage given by the Institution to TD Bank, N.A. to secure the Bank Loan;

Bankruptcy Code means Title 11 of the United States Code;

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 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;

1998 Bond Series Certificate means the Authority's Bond Series Certificate dated as of January 27, 2009;

2009 Bond Series Certificate means the Authority's Bond Series Certificate dated as of January 27, 2009;

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

Bond Year means a period of twelve (12) consecutive months beginning July 2 in any calendar year and ending on July 1 of the succeeding calendar year;

Bondholder, Holder of Bonds or **Holder** or any similar term, when used with reference to a Bond or Bonds, except as provided in the Resolution, means the registered owner of any Bond;

Book-Entry Bond means a Bond authorized to be issued to, and issued to and registered in the name of, a Depository for the participants in such Depository;

Business Day means any day which is not a Saturday, Sunday or a day on which banking institutions chartered by the State or the United States of America are legally authorized to close in The City of New York; provided that, with respect to Option Bonds or Variable Interest Rate Bonds of a Series, such term means any day which is not a Saturday, Sunday or a day on which the New York Stock Exchange, banking institutions chartered by the State or the United States of America, the Trustee or the issuer of a Credit Facility or Liquidity Facility for such Bonds are legally authorized to close in The City of New York; provided further that with respect to the Series 1998 Bonds and the Series 2009 Bonds, such term means any day other than a Saturday, Sunday or a day on which the New York Stock Exchange, the Trustee or the Credit Facility Provider is legally authorized to close.

Capitalized Interest Account means the Capitalized Interest Account of the Construction Fund established pursuant to the Bond Series Certificate;

Code means the Internal Revenue Code of 1986, as amended, and the applicable Treasury Regulations promulgated thereunder;

Construction Fund means the fund so designated, created and established pursuant to the Resolution;

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 Institution relating to the construction of a Project, and any amendments to the foregoing;

Conversion means a change in the Rate Mode of a Series 2009 Bond made in accordance with the provisions of the Bond Series Certificate;

Conversion Date means with respect to the Series 1998 Bonds, (a) when used with respect to the Fixed Rate Period, the date on which the Series 1998 Bonds are converted to bear interest at the Fixed Rate pursuant to Section 3.4 hereof; (b) when used with respect to any Variable Rate Period other than a Flexible Period, the day on which a particular type of Variable Rate becomes effective for the Series 1998 Bonds pursuant to Section 3.2 hereof which is not immediately preceded by a day on which Series 1998 Bonds bore interest at the same type of Variable Rate Period and, when used with respect to the Flexible Mode, the date on which Flexible Periods become effective

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for the Series 1998 Bonds following a Rate Period other than a Flexible Period; and (c) when used with respect to any Term Period, a day which is not preceded by a Term Period of the same duration; and with respect to the Series 2009 Bonds, the day on which the interest rate on a Series 2009 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 Series 2009 Bond;

Conversion Notice means a notice given pursuant to the Bond Series Certificate;

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, legal fees and charges, professional consultants' fees, including but not limited to accountant's fees, fees and charges for execution, transportation and safekeeping of Bonds, premiums, fees and charges for any Credit Facility on Bonds, commitment fees or similar charges relating to a Liquidity Facility, Reserve Fund Facility or Remarketing Agent, costs and expenses of refunding Bonds or other bonds or notes of the Authority or of the Institution, costs and expenses incurred pursuant to a Mortgage, costs and expenses incurred pursuant to a Remarketing Agreement and other costs, charges and fees, including those of the Authority, in connection with the foregoing;

Cost or Costs of the Project means costs and expenses or the refinancing of costs and expenses determined by the Authority to be necessary 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 Institution 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 Institution, 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 Institution), (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 such Project or pursuant to the Resolution or to the Loan Agreement, a Mortgage, a Credit Facility, a Liquidity Facility, a Reserve Fund Facility or a Remarketing Agreement in connection with Option Bonds or Variable Interest Rate Bonds;

Credit Facility means any irrevocable letter of credit, insurance policy, guaranty, surety bond, loan agreement, or other agreement, facility or insurance or guaranty arrangement approved by the Authority which provides for, guarantees or insures payment of principal and interest on the Bonds (and, if provided by the Credit Facility, the redemption premium with respect to such Bonds) of any Series when due and issued and delivered to the Trustee, all in accordance with a Supplemental Resolution or the applicable Series Resolution;

2009 Credit Facility Account means the 2009 Credit Facility Account of the Debt Service Fund established pursuant to the Bond Series Certificate;

Credit Facility Account with respect to the Series 2009 Bonds, means the 2009 Credit Facility Account and with respect to the Series 1998 Bond, the 1998 Letter of Credit Account;

Credit Facility Default means, unless the Series Resolution authorizing a Series of Bonds provides otherwise with respect to such Bonds, with respect to a Credit Facility Provider, any of the following: (a) there shall occur a default in the payment of principal of or any interest on any Bond (and, if provided by the Credit Facility, the redemption premium with respect to such Bond) when payment with respect thereto was required to have been made by a Credit Facility, (b) a Credit Facility shall have been declared null and void or unenforceable in a final determination by a court of law of competent jurisdiction or (c) such Credit Facility Provider shall commence a

voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, shall consent to the entry of an order for relief in an involuntary case under any such law or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian or sequestrator (or other similar official) of such Credit Facility Provider or for any substantial part of its property, or shall make a general assignment for the benefit of creditors;

Credit Facility Issuer means with respect to the Series 2009 Bonds initially TD Bank, N.A. and thereafter any provider of a Credit Facility delivered in accordance with the 2009 Bond Series Certificate;

Credit Facility Issuer Default means the occurrence of any of the following with respect to the Credit Facility Issuer: (i) the Credit Facility Issuer fails to pay the amounts due and owing any Credit Facility or Liquidity Facility issued by the Credit Facility Issuer with respect to a Series of Bonds in accordance with its terms; (ii) any such Credit Facility or Liquidity Facility shall have been declared null and void or unenforceable in a final determination by a court of law of competent jurisdiction; (iii) the Credit Facility Issuer commences a proceeding under any federal, State or foreign insolvency, reorganization or similar law, or such a proceeding is commenced against the Credit Facility Issuer, and either an order of insolvency or reorganization is entered against the Credit Facility Issuer or such proceeding remains undismissed or unstayed for 90 days; or (iv) the Credit Facility Issuer has a receiver, conservator, liquidator or trustee appointed for it or for all or a substantial part of its property and disavows its obligations under such Credit Facility or Liquidity Facility; a Credit Facility Issuer Default shall constitute a Credit Facility Default under the Resolution.

Credit Facility Provider means, with respect to a Series of Bonds for which a Credit Facility is held by the Trustee, the firm, association or corporation, including public bodies and governmental agencies, acceptable to the Authority, which has issued such Credit Facility in connection with such Series of Bonds, and the successor or assignee of the obligations of such firm, association, bank or corporation under such Credit Facility and with respect to the Series 1998 Bonds and Series 2009 Bonds, initially TD Bank, N.A.;

Daily Mode means a Rate Mode in which a Series 2009 Bond or a Series 1998 Bond in such Rate Mode bears interest at a Daily Rate;

Daily Period means each period during which Series 1998 Bonds bear interest at a particular Daily Rate pursuant to the Series 1998 Resolution;

Daily Rate means the rate at which a Series 2009 Bond or a Series 1998 Bond in the Daily Rate Mode bears interest, as established in accordance with the Bond Series Certificate;

Daily Rate Conversion Date means each day on which Series 1998 Bonds commence to bear interest at a Daily Rate pursuant to the Series 1998 Resolution which is immediately preceded by a day on which such Series 1998 Bonds did not bear interest at a Daily Rate;

Daily Rate Period means a period beginning on a Conversion Date or on a Business Day and extending to, but not including, the next succeeding Business Day, during which Series 2009 Bonds in the Daily Mode bear interest at the Daily Rate;

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

Debt Service Reserve Fund means any fund so designated, created and established pursuant to the Resolution;

Debt Service Reserve Fund Requirement means with respect to the Series 1998 Bonds \$562,918.79 and with respect to the Series 2009 Bonds \$1,085,575.80.

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Defeasance Securities means:

(i) a Government Obligation of the type described in clauses (i), (ii), (iii) or (iv) of the definition of Governmental Obligation;

(ii) a Federal Agency Obligation described in clauses (i) or (ii) of the definition of Federal Agency Obligation; and

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

Depository means DTC;

DTC means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, in its capacity as Depository for the Series 2009 Bonds, or any successor Depository for any Series 2009 Bonds;

Eligible Account means an account that is either (a) maintained with a federal or state chartered depository institution or trust company that has the Rating Service's short term debt rating of at least "A-2" (or, if no short term debt rating, a long term debt rating of "BBB+"); or (b) maintained with the corporate trust department of a federal depository institution or state chartered depository institution subject to regulations regarding fiduciary funds on deposit which, in either case, has corporate trust powers and is acting in its fiduciary capacity. In the event that an account required to be an "Eligible Account" no longer complies with the requirement, the Trustee should promptly (and, in any case, within not more than 30 calendar days) move such account to another financial institution such that the Eligible Account requirement will again be satisfied;

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 nationally recognized statistical rating services, one of which shall be Moody's if Moody's is then rating any Series of Bonds; (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;

Expiration Date when used in connection with a particular Credit Facility means the date on which such Credit Facility will expire, as such date may be extended from time to time or any earlier date on which the Credit Facility will terminate, expire or be cancelled;

Facility means a Liquidity Facility or a Reserve Fund Facility delivered to the Trustee pursuant to the Resolution or in accordance with a Supplemental Resolution or the applicable Series Resolution;

Facility Provider means the issuer of a Liquidity Facility or a Reserve Fund Facility delivered to the Trustee pursuant to the Resolution or in accordance with a Supplemental Resolution or any applicable Series Resolution;

Favorable Opinion of Bond Counsel means an opinion of Bond Counsel addressed to the Authority and the Trustee to the effect that the action proposed to be taken is authorized or permitted by the laws of the State, the Resolution, this Series 1998 Resolution, and the Bond Series Certificate applicable thereto and will not adversely affect the exclusion of interest on the Series 1998 Bonds from gross income for purposes of federal income taxation;

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 registered under the Securities Act of 1933, as amended, and operated in accordance with Rule 2a-7 of the Investment Company Act of 1940, as amended, wholly comprised of any of the foregoing obligations;

Final Schedule means the schedule of Flexible Rates and corresponding Flexible Periods established by the Remarketing Agent pursuant to the Series 1998 Resolution;

Fiscal Year means the period beginning on September 1 of each year and ending on the next succeeding August 31, or any other twelve month period hereafter selected and designated as the official fiscal year period of the Institution;

Fixed Mode means a Rate Mode in which a Series 2009 Bond in such Rate Mode bears interest at a Fixed Rate;

Fixed Rate means the rate at which a Series 2009 Bond or Series 1998 Bond bears interest to its maturity during the Fixed Rate Period, as established in accordance with the 2009 Bond Series Certificate or the Series 1998 Resolution, respectively;

Fixed Rate Conversion Date means the date on which the Series 1998 Bonds are converted to bear interest at the Fixed Rate pursuant to the Series 1998 Resolution;

Fixed Rate Period with respect to the Series 2009 Bonds means the period from and including the Conversion Date and extending to and including the date of maturity of a Series 2009 Bonds in the Fixed Mode and with respect to the Series 1998 Bonds means the period during which the Series 1998 Bonds bear interest at the Fixed Rate;

Flexible Mode means the mode in which Series 1998 Bonds bear interest at Flexible Rates during Flexible Periods;

Flexible Period means each period during which Series 1998 Bonds bear interest at a Flexible Rate pursuant to of the Series Resolution;

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Flexible Rate means, when used with respect to any particular Series 1998 Bond, the interest rate determined for, and borne by, such Series 1998 Bond for each Flexible Period applicable thereto pursuant to the Series Resolution;

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 registered under the Securities Act of 1933, as amended, and operated in accordance with Rule 2a-7 of the Investment Company Act of 1940, as amended, comprised of any of the foregoing obligations;

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

Gross Receipts means all receipts, revenues, income and other moneys received by or on behalf of the Institution, including, without limitation, tuition, fees, contributions, donations and pledges whether in the form of cash, securities or other personal property, revenues derived from the operation of the facilities of the Institution, and all rights to receive the same, whether in the form of accounts receivable, contract rights, chattel paper, payment intangibles, instruments or other rights, and the proceeds thereof, and any insurance thereon, whether now existing or hereafter coming into existence and whether now owned or held or hereafter acquired by the Institution; **provided, however,** that gifts, grants, bequests, donations and contributions heretofore or hereafter made, designated at the time of making thereof by the donor or maker as being for certain specific purposes inconsistent with the payment of debt service, and the income derived therefrom, to the extent required by virtue of such designation, shall be excluded from Gross Receipts;

Indebtedness means all obligations for borrowed money or guaranties of payment with respect thereto incurred by the Institution other than the obligation incurred in connection with the Bonds (whether or not incurred in connection with the Project and whether or not incurred for a term of longer than one year), whether due and payable in all events, or upon the performance of work, possession of property as lessee or rendering of services by others, which shall include all capital lease obligations that would be characterized as long term debt under generally accepted accounting principles;

Institution means Wagner College, an institution of higher education duly organized and existing under the laws of the State;

Institution Bond means a bond issued by the Institution pursuant to the Institution Indenture;

Institution Indenture means the Trust Indenture, dated as of July 1, 1998, by and between the Institution and The Bank of New York Mellon, formerly known as the Bank of New York, as trustee thereunder, pursuant to which bonds are authorized to be issued by the Institution;

2009 Institution Payments Account means the 2009 Institution Payments Account of the Debt Service Fund established pursuant to the 2009 Bond Series Certificate;

Institution Payments Account means the Institutions Payments Account of the Debt Service Fund established pursuant to the Series 1998 Resolution;

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

Intercreditor Agreement means the Amended and Restated Intercreditor Agreement dated as of January 28, 2009, by and among the Authority, The Bank of New York Mellon, in its capacity as trustee of the Series 1998 Bonds, The Bank of New York Mellon, in its capacity as trustee of the Series 2009 Bonds, The Bank of New York Mellon, in its capacity as Gross Receipts Trustee (as defined therein), and TD Bank, N.A., as the same may be amended, modified or supplemented from time to time;

Interest Payment Date means (i) during any Daily Rate Period or Weekly Rate Period, the first Business Day of each month, and (ii) during any Term Rate Period or the Fixed Rate Period, each June 1 and December 1; **provided, however**, that if so provided in a Certificate of Determination the first Interest Payment Date may be a date that is different from the date on which interest would otherwise be payable; **provided, further**, that interest on Bank Bonds will be payable at the times required by the Reimbursement Agreement. If any such date is not a Business Day, the Interest Payment Date shall be the succeeding Business Day;

Issue Date means January 28, 2009;

Investment Agreement means an agreement for the investment of moneys with a Qualified Financial Institution;

Letter of Credit means the letter of credit issued by the Bank in connection with the Series 1998 Bonds, which letter of credit shall serve in the capacity of both Credit Facility and Liquidity Facility;

1998 Letter of Credit Account with respect to the Series 1998 Bonds, means the 1998 Letter of Credit Account of the Debt Service Fund established pursuant to the Series 1998 Resolution;

Liquidity Facility means an irrevocable letter of credit, surety bond, loan agreement, standby purchase agreement, line of credit or other agreement or arrangement approved by the Authority, pursuant to which moneys are to be obtained upon the terms and conditions contained therein for the purchase or redemption of Option Bonds or Variable Interest Rate Bonds tendered for purchase or redemption in accordance with the terms of the Resolution, of a Supplemental Resolution or the applicable Series Resolution authorizing such Bonds or the Bond Series Certificate relating to such Bonds;

Liquidity Facility Provider means, with respect to a Series of Bonds for which a Liquidity Facility is held by the Trustee, the firm, association or corporation, including public bodies and governmental agencies, acceptable to the Authority, which has issued such Liquidity Facility in connection with such Series of Bonds, and the successor or assign of the obligations of such firm, association, bank or corporation under such Liquidity Facility;

Loan Agreement means the Loan Agreement, dated as of April 29, 1998, as amended and restated as of September 24, 2008, by and between the Authority and the Institution in connection with the issuance of Bonds, as the same shall have been amended, supplemented, restated or otherwise modified as permitted hereby and by the Loan Agreement;

Mandatory Tender Date means any date on which a Series 2009 Bond is required to be tendered for purchase in accordance with the Bond Series Certificate;

Maximum 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 and with respect to 1998 Bonds, ten (10%) percent and, with respect to 2009 Bonds, twelve (12%) percent;

Maximum Lawful Rate means the maximum rate of interest on the relevant obligation permitted by applicable law;

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

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

Mortgage means a mortgage or modification or amendment thereto delivered by the Institution to the Authority pursuant to the Loan Agreement, in form and substance satisfactory to an Authorized Officer of the Authority, on the Mortgaged Property, as such Mortgage may be amended or modified from time to time, as security for the performance of the Institution's obligations under the Loan Agreement;

Mortgaged Property means the land described in each Mortgage and the buildings and improvements thereon or hereinafter located or erected thereon and the fixtures, furnishings and equipment owned by the Institution and now or hereafter located therein or thereon;

Opinion of Bond Counsel means an Opinion of Counsel from a firm of recognized national standing in the field of obligations the interest on which is excluded from gross income for purposes of federal income taxation;

Option Bond means any Bond which by its terms may be tendered by and at the option of the Holder thereof for redemption by the Authority prior to the stated maturity thereof or for purchase thereof, or the maturity of which may be extended by and at the option of the Holder thereof;

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 cancelled 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) Option Bonds tendered or deemed tendered in accordance with the provisions of the Series Resolution authorizing such Bonds 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 Bonds;

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 Governmental Obligation;

(ii) Federal Agency Obligations described in clauses (i) or (ii) of the definition of Federal Agency Obligation;

(iii) commercial paper that (a) matures within two hundred seventy (270) days after its date of issuance, (b) is rated in the highest short term rating category by at least one Rating Service and (c) is issued by a domestic corporation whose unsecured senior debt is rated by at least on Rating Service no lower than in the second highest rating category;

(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; and

(v) bankers' acceptances issued by a bank rated in the highest short term rating category by at least one nationally recognized rating organization and having maturities of not longer than three hundred sixty-five (365) days from the date that are pledged;

Permitted Encumbrances means (i) the Loan Agreement, (ii) the Resolution, (iii) any Mortgage or a mortgage delivered in connection with the Bank Loan, (iv) any instrument recorded pursuant to the Loan Agreement, (v) any other encumbrances or matters reflected on Schedule D attached to the Loan Agreement or approved in writing by the Authority and the Credit Facility Providers, (vi) those matters referred to in any title insurance policy delivered pursuant to the Loan Agreement and accepted by the Authority and by the Credit Facility Providers, (vii) matters permitted under the terms of the Bank Loan, and (viii) the Indenture of Mortgage and Deed of Trust, dated as of October 1, 1962, between the Institution and The Chase Manhattan Bank;

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 of 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) fully collateralized by Permitted Collateral;
- (vi) commercial paper issued by a domestic corporation rated in the highest short term rating category by at least one nationally recognized rating organization and having maturities of not longer than two hundred seventy (270) days from the date of purchase;
- (vii) bankers; acceptances issued by a bank rated in the highest short term rating category by at least one nationally recognized rating organization and having maturities of not longer than three hundred sixty-five (365) days from the date that are purchased;
- (viii) Investment Agreements that are fully collateralized by Permitted Collateral; and
- (ix) a share or interest in a mutual fund, partnership or other fund registered under the Securities Act of 1933, as amended and operated in accordance with Rule 2a-7 of the Investment Company Act of 1940, as amended, whose objective is to maintain a constant share value of \$1.00 per share and that is rated in the highest short term rating category by at least one nationally recognized rating organization;

Person means an individual, corporation, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof;

Pledge Agreement with respect to the Series 1998 Bonds means the Bond Pledge Agreement dated as of January 28, 2009, among the Institution, the Trustee and the Bank, and with respect to the Series 2009 Bonds the Bond Pledge Agreement dated as of January 28, 2009 among the Institution, the Credit Facility Issuer and the Trustee, each as amended, restated, modified or supplemented from time to time in accordance with the terms thereof;

Prior Pledges means the liens, pledges, charges, encumbrances and security interests made or given by the Institution to secure prior obligations incurred by the Institution, the maintenance of which shall have been approved by the Authority or as permitted by the Loan Agreement, including those made or given by the Institution pursuant to agreements entered into by the Institution in connection with the Wagner College Consolidation and Construction Bonds of 1962, Series B;

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Project means a project financed in whole or in part from the proceeds of the sale of Bonds, as more particularly described in a Series Resolution authorizing the issuance of Bonds in connection with such Project;

Provider Payments means the amount, certified by a Facility Provider or Credit Facility Provider, as the case may be, to the Trustee, payable to such Facility Provider or Credit Facility Provider, as the case may be, by the Institution on account of amounts advanced by it under a Reserve Fund Facility, Liquidity Facility or Credit Facility, as the case may be, including interest on amounts advanced and fees and charges with respect thereto;

1998 Purchase Account means the account so designated and established within the Debt Service Fund pursuant to the 1998 Bond Series Certificate.

2009 Purchase Account means the account so designated and established within the Debt Service Fund pursuant to the 2009 Bond Series Certificate.

Purchase Price means with respect to the Series 1998 Bonds the price to be paid for a Series 1998 Bond upon the tender thereof in accordance with the Series Resolution and with respect to the Series 2009 Bonds (i) when used in relation to Tendered Bonds, other than Series 2009 Bonds tendered upon a Conversion from a Term Mode, an amount equal to:

- (a) 100% of the principal amount of any Series 2009 Bond tendered or deemed tendered to the Tender Agent for purchase pursuant to the Bond Series Certificate; or
 - (b) the amount payable to the registered owner of a Bank Bond following receipt by such owner of a purchase notice from the Remarketing Agent; and
- (ii) when used in relation to Tendered Bonds mandatorily tendered pursuant to the Bond Series Certificate upon Conversion from a Term Mode on a date other than a Reset Date, an amount equal to the Redemption Price that would be payable if such Series 2009 Bonds had been called for redemption on the Conversion Date;

plus in each case 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 (i) a securities dealer, the liquidation of which is subject to the Securities Investors Protection Corporation or other similar corporation, and which is on the Federal Reserve Bank of New York's list of Primary Government securities dealers, provided, such dealer has been approved by the Rating Service(s) rating the 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, or an insurance company or association chartered or organized under the laws of any state of the United States of America, (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 or which is a subsidiary of a corporation which controls or wholly owns any such entity or which is a subsidiary of a foreign insurance company or (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 and the Rating Service then rating the Bonds; **provided, however**, that in the case of any entity described in (ii) or (iii) above, the unsecured or uncollateralized long-term debt obligations of which, or obligations secured or supported by a letter of credit, contract, agreement or surety bond issued by any such organization, the time an Investment Agreement is entered into by the Authority, have been assigned a credit rating by the Rating Service(s) rating the Bonds which is not lower than the rating then assigned by such Rating Service (i.e., at the time an Investment Agreement is entered into) to the Outstanding Bonds of the Series of Bonds with respect to which such Investment Agreement has been entered into;

Rate means the Initial Rate, Daily Rate, Weekly Rate, Term Rate, Bank Bond Rate or Fixed Rate;

Rate Mode means the Daily Mode, Weekly Mode, Term Mode or Fixed Mode;

Rate Period means any Initial Rate Period, Daily Rate Period, Weekly Rate Period, Term Rate Period or Fixed Rate Period;

Rating Service means Moody's and S&P or if an initial Rating Service discontinues its securities rating service, then such other nationally recognized securities rating service as may be specified by the Remarketing Agent with the consent of the Institution;

Record Date means, with respect to each Interest Payment Date, (i) during any Daily 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 any Fixed Rate Period, the close of business on the 15th day of the calendar month immediately preceding any calendar month in which an Interest Payment Date occurs, 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;

Reimbursement Agreement means the agreement pursuant to which the provider of a Credit Facility (and Liquidity Facility, if applicable) has agreed to provide the Credit Facility (and Liquidity Facility, if applicable), and initially means the Loan, Letter of Credit and Reimbursement Agreement dated as of January 1, 2009, between initial Credit Facility Provider and the Institution, pursuant to which the initial Credit Facility Provider has agreed to provide the initial Credit Facility and the initial Liquidity Facility;

Remarketing Agent when used in connection with the Series 2009 Bonds or the Series 1998 Bonds means the remarketing agent for such Bonds appointed and serving in such capacity pursuant to the Bond Series Certificate and initially means TD Securities (USA) LLC or any successor remarketing agent;

Remarketing Agreement (a) when used in connection with the Series 2009 Bonds means the Remarketing Agreement by and among the Authority, the Institution and the Remarketing Agent for such Series 2009 Bonds and when used in connection with the Series 1998 Bonds means the Remarketing Agreement by and among the Remarketing Agent, the Authority and the Institution, in each case as the same may be amended or supplemented from time to time in accordance with the provisions thereof, or (b) any subsequent agreement relating to the powers, duties and obligations of a successor remarketing agent;

1998 Remarketing Proceeds Account means the account so designated and established within the Debt Service Fund pursuant to the 1998 Bond Series Certificate;

2009 Remarketing Proceeds Account means the account so designated and established within the Debt Service Fund pursuant to the 2009 Bond Series Certificate;

Repurchase Agreement means a repurchase agreement with (A) any domestic bank, or domestic branch of a foreign bank, the long term debt of which is rated at least "A" by S&P and Moody's, (B) any broker-dealer with "retail customers" or a related affiliate thereof which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least "A" by S&P and Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation, or (C) any other entity rated "A" or better by S&P and Moody's and acceptable to the Credit Facility Provider, provided that: (i) the market value of the collateral is maintained at levels and upon such conditions as would be acceptable to S&P and Moody's to maintain an "A"

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rating in an “A” rated structured financing (with a market value approach), (ii) the Trustee or a third party acting solely as agent therefor or for the Authority (the “Holder of the Collateral”) has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor’s books), (iii) the repurchase agreement shall state and an opinion of counsel shall be rendered at the time such collateral is delivered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession), (iv) all other requirements of S&P in respect of repurchase agreements shall be met, and (v) the repurchase agreement shall provide that if during its term the provider’s rating by either Moody’s or S&P is withdrawn or suspended or falls below “A-“ by S&P or “A3” by Moody’s, as appropriate, the provider must, at the direction of the Authority or the Trustee (who shall give such direction if so directed by the Credit Facility Provider), within ten (10) days of receipt of such direction, repurchase all collateral and terminate the agreement, with no penalty or premium to the Authority or Trustee; **provided, however**, notwithstanding the above, if a Repurchase Agreement has a term of 270 days or less (with no evergreen provision), collateral levels need not be as specified in (i) above, so long as such collateral levels are one hundred three percent (103%) or better and the provider is rated at least “A” by S&P and Moody’s, respectively;

Reserve Facility Provider means the issuer of a Reserve Fund Facility delivered to the Trustee pursuant to the Resolution;

Reserve Fund Facility means a surety bond, insurance policy or letter of credit which constitutes any part of any Debt Service Reserve Fund Requirement authorized to be delivered to the Trustee pursuant to the Resolution;

Reset Date means, with respect to the Series 2009 Bonds in a Daily Rate Mode, a Weekly Rate Mode or a Term Rate Mode, the date on which the interest rate borne by such Series 2009 Bond is to be determined in accordance with the provisions of the Bond Series Certificate, provided however, that with respect to the Series 2009 Bonds in the Term Rate Mode, a Reset Date at the end of a Term Rate Period must be an Interest Payment Date;

Resolution means the Dormitory Authority of the State of New York Wagner College Revenue Bond Resolution, adopted by the Authority on April 29, 1998 as amended and restated by Supplemental Resolution adopted by the Authority on September 24, 2008;

Revenues means all payments received or receivable by the Authority which, pursuant to the Loan Agreement are 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);

S&P means Standard & Poor’s Ratings Services, a division of McGraw-Hill, Inc., a corporation organized and existing under the laws of the State of New York, or its successors and assigns;

Securities means (i) moneys, (ii) Government Obligations, (iii) Exempt Obligations, (iv) any bond, debenture, note, preferred stock or other similar obligation of any corporation incorporated in the United States, which security, at the time an investment therein is made or such security is deposited in any fund or account under the Resolution, is rated, without regard to qualification of such rating by symbols such as “+” or “-“ or numerical notation, “Aa” or better by Moody’s or “AA” or better by S&P or is rated with a comparable rating by any other nationally recognized rating service acceptable to an Authorized Officer of the Authority and (v) common stock of any corporation incorporated in the United States of America whose senior debt, if any, at the time an investment in its stock is made or its stock is deposited in any fund or account established under the Resolution, is rated, without regard to qualification of such rating by symbols such as “+” or “-“ or numerical notation, “Aa” or better by Moody’s or “AA” or better by S&P or is rated with a comparable rating by any other nationally recognized rating service acceptable to an Authorized Officer of the Authority and the Credit Facility Providers;

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, 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 1998 Bonds means the Dormitory Authority of the State of New York Wagner College Revenue Bonds, Series 1998;

Series 1998 Project means the project or projects in connection with which the Series 1998 Bonds were issued, as more fully described in the Loan Agreement and made a part thereof;

Series 1998 Resolution means the Series 1998 Resolution Authorizing Up To \$23,000,000 Wagner College Revenue Bonds, Series 1998 adopted by the Authority on April 29, 1998 as amended and restated by Supplemental Resolution adopted by the Authority on September 24, 2008;

Series 2009 Bonds means the Dormitory Authority of the State of New York Wagner College Revenue Bonds, Series 2009;

Series 2009 Project means the project or projects in connection with which the Series 2009 Bonds are being issued as more fully described in the Loan Agreement;

Series 2009 Resolution means the Dormitory Authority of the State of New York Series 2009 Resolution Authorizing Up To \$30,500,000 Wagner College Revenue Bonds, Series 2009 adopted by the Authority on September 24, 2008;

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

SIFMA Municipal Index means the SIFMA Municipal Swap Index disseminated by Municipal Market Data, a Thomson Financial Services Company or its successor; or, if at the time a Rate is to be determined Municipal Market Data has not provided the relevant information on the SIFMA Municipal Index for the most recent Tuesday, then the rate determined by Municipal Market Data on the Tuesday next preceding the beginning of the Rate Period for which such Rate is to be determined;

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 hereby 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 one or more single future dates for the retirement of any Outstanding Option Bonds or Variable Interest Rate 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;

State means the State of New York;

Stated Amount means the maximum amount of the Credit Facility or Liquidity Facility as the same may be reduced or reinstated in accordance with the terms of the Credit Facility or Liquidity Facility;

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Substitute Credit Facility means a Credit Facility (as such term is defined in the Resolution) delivered to the Trustee in accordance with the Bond Series Certificate upon the expiration or earlier termination of a Credit Facility;

Substitute Letter of Credit means an irrevocable direct pay letter of credit issued and delivered to replace the existing Letter of Credit pursuant to the provisions of the Series 1998 Resolution;

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

Tax Certificate means the tax certificate concerning certain matters pertaining to the use of proceeds of each Series of Bonds the interest on which is intended to be excludable from gross income for federal income tax purposes executed by and delivered to the Authority, the Institution and the Trustee on the date of issuance of such Series of Bonds, including any and all exhibits attached thereto;

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 to the Bond Series Certificate;

Tender Date means each Optional Tender Date or Mandatory Tender Date;

Tender Notice means the notice delivered by the Holders of a Series 2009 Bond subject to Optional Tender pursuant to the Bond Series Certificate;

Tendered Bond means a Series 2009 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 Series 2009 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 Mode means a Rate Mode designated as such in a Conversion Notice in which a Series 2009 Bond in such Rate Mode bears interest at a Term Rate;

Term Rate means the rate at which a Series 2009 Bond bears interest during a Term Rate Period, as established in accordance with the Series Resolution;

Term Rate Conversion Date means each day on which Series 1998 Bonds commence to bear interest at a Term Rate pursuant to the Series 1998 Resolution which is immediately preceded by a day on which such Series 1998 Bonds did not bear interest at a Term Rate or bore interest at a Term Rate for a Term Period of a different duration;

Term Rate Period means a period commencing on the Conversion Date or a Reset Date and extending to and including the next succeeding Reset Date, which Reset Date must be a Business Day at least 365 days from such Conversion Date or Reset Date;

Trustee means The Bank of New York Mellon 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 Series Resolution;

Variable Interest Rate means a variable interest rate or rates to be borne by a Series of Bonds or any one or more maturities within a Series of Bonds, the method of computing such variable interest rate is specified in the Series Resolution authorizing such Bonds or a Bond Series Certificate and 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) or a

function of such objectively determinable interest rate or rates which may be in effect from time to time or at a particular time or times; provided that such variable interest rate may be subject to a Maximum Rate and 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; and **provided, further**, that such Series Resolution or Bond Series Certificate shall also specify either (i) the particular period or periods of time or manner of determining such period or periods of time for which such variable interest rate shall remain in effect or (ii) the time or times upon which any change in such variable interest rate shall become effective;

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;

Variable Rate means, as the context requires, the Daily, Weekly or Flexible Rate applicable to Series 1998 Bonds;

Variable Rate Conversion Date means a day on which Series 1998 Bonds commence to bear interest at a Variable Rate for a Variable Rate Period pursuant to the Series 1998 Resolution which is immediately preceded by a day on which such Series 1998 Bonds did not bear interest at a Variable Rate in a like Variable Rate Period;

Weekly Mode means a Rate Mode in which a Series 2009 Bond in such Rate Mode bear interest at a Weekly Rate;

Weekly Rate means the rate at which a Series 2009 Bond bear interest during a Weekly Rate Period, as established in accordance with the Series Resolution;

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.

Weekly Rate Conversion Date means each day on which Series 1998 Bonds commence to bear interest at a Weekly Rate pursuant to the Series 1998 Resolution which is immediately preceded by a day on which such Series 1998 Bonds did not bear interest at a Weekly Rate.

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**FINANCIAL STATEMENTS OF WAGNER COLLEGE
AND INDEPENDENT AUDITORS' REPORT**

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WAGNER COLLEGE

Financial Statements

August 31, 2008 and 2007

(With Independent Auditors' Report Thereon)

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KPMG LLP
345 Park Avenue
New York, NY 10154

Independent Auditors' Report

The Board of Trustees
Wagner College:

We have audited the accompanying balance sheets of Wagner College (the College) as of August 31, 2008 and 2007, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wagner College as of August 31, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

KPMG LLP

December 30, 2008

WAGNER COLLEGE

Balance Sheets

August 31, 2008 and 2007

Assets	2008	2007
Cash and cash equivalents	\$ 10,256,697	14,115,609
Accounts receivable, less allowance for doubtful accounts of \$730,000 in 2008 and \$600,000 in 2007	1,129,453	723,519
Inventory, prepaid expenses, and other assets (note 6)	716,426	796,356
Contributions receivable, net (note 4)	10,950,120	10,853,988
Investments (notes 3 and 6)	46,086,341	45,579,858
Notes receivable, less allowance for doubtful loans of \$640,000 in both 2008 and 2007	2,581,576	2,356,427
Other receivable (note 11)	5,778,334	5,404,353
Amounts held by bond trustees (note 6)	5,659,836	5,599,390
Bond issuance costs	2,001,469	2,101,542
Property, plant, and equipment (notes 5, 6, 12, and 13)	46,878,483	44,811,782
Total assets	<u>\$ 132,038,735</u>	<u>132,342,824</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 4,359,436	4,435,203
Deferred revenue	16,221,579	16,996,724
Student deposits	405,964	374,978
Amounts held for others	169,064	155,231
Postretirement benefit obligation (note 8)	161,236	159,184
Long-term debt (note 6)	36,586,300	37,991,200
Other liabilities (note 12)	1,437,407	1,344,376
Refundable Federal grants	2,231,329	2,183,382
Total liabilities	<u>61,572,315</u>	<u>63,640,278</u>
Net assets:		
Unrestricted	24,308,668	22,628,138
Temporarily restricted (note 7)	15,316,841	15,828,000
Permanently restricted	30,840,911	30,246,408
Total net assets	<u>70,466,420</u>	<u>68,702,546</u>
Total liabilities and net assets	<u>\$ 132,038,735</u>	<u>132,342,824</u>

See accompanying notes to financial statements.

WAGNER COLLEGE

Statements of Activities

Years ended August 31, 2008 and 2007

	2008	2007
Changes in unrestricted net assets:		
Revenues and gains:		
Tuition and fees	\$ 63,875,528	59,948,534
Less scholarships and fellowships	(21,152,954)	(19,573,307)
Net tuition and fees	42,722,574	40,375,227
Contributions	1,446,716	940,118
Government grants and contracts	818,123	845,863
State appropriations	219,777	226,836
Investment income (note 3)	239,776	1,842,619
Auxiliary enterprises	14,446,342	13,804,519
Gain on settlement from Metropolitan Intercollegiate Basketball Association (note 11)	373,981	414,498
Other sources	859,256	823,424
Total unrestricted revenues and gains	61,126,545	59,273,104
Net assets released from restrictions	2,088,186	5,418,494
Total unrestricted revenues, gains, and other support	63,214,731	64,691,598
Expenses:		
Instruction	19,595,049	18,729,773
Academic support	4,404,887	4,115,021
Student services	7,211,814	6,615,744
Institutional support	10,727,171	9,953,698
Auxiliary enterprises	19,595,280	18,661,653
Total expenses	61,534,201	58,075,889
Increase in unrestricted net assets	1,680,530	6,615,709
Changes in temporarily restricted net assets:		
Contributions	2,241,717	10,903,154
Investment (loss) income (note 3)	(1,414,690)	5,344,227
Net assets released from restrictions	(2,088,186)	(5,418,494)
Transfer from/to permanently restricted net assets (note 7)	750,000	(1,128,425)
(Decrease) increase in temporarily restricted net assets	(511,159)	9,700,462
Changes in permanently restricted net assets:		
Contributions	1,530,788	4,052,317
Investment (loss) income (note 3)	(186,285)	616,883
Transfer to/from temporarily restricted net assets (note 7)	(750,000)	1,128,425
Increase in permanently restricted net assets	594,503	5,797,625
Increase in net assets	1,763,874	22,113,796
Net assets at beginning of year	68,702,546	46,588,750
Net assets at end of year	\$ 70,466,420	68,702,546

See accompanying notes to financial statements.

WAGNER COLLEGE

Statements of Cash Flows

Years ended August 31, 2008 and 2007

	2008	2007
Cash flows from operating activities:		
Increase in net assets	\$ 1,763,874	22,113,796
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	3,335,069	2,935,787
Amortization of bond issuance costs	100,073	100,073
Net realized and unrealized losses (gains) on investments	2,866,599	(6,546,122)
Increase in allowance for doubtful receivables	130,000	191,000
Contributions and investment income restricted for long-term purposes	(1,589,255)	(4,103,382)
Changes in assets and liabilities:		
Increase in accounts receivable	(535,934)	(251,379)
Decrease (increase) in inventory, prepaid expenses, and other assets	79,930	(214,662)
Decrease (increase) in contributions receivable	845,823	(8,685,511)
(Increase) decrease in other receivable	(373,981)	1,585,502
(Decrease) increase in accounts payable and accrued expenses	(75,767)	461,589
(Decrease) increase in deferred revenue	(775,145)	2,594,606
Increase in student deposits	30,986	15,214
Increase in amounts held for others	13,833	20,231
Increase (decrease) in postretirement benefit obligation	2,052	(14,063)
Increase in other liabilities	93,031	87,010
Net cash provided by operating activities	5,911,188	10,289,689
Cash flows from investing activities:		
Acquisitions of property, plant, and equipment	(5,401,770)	(7,074,594)
Proceeds from sales of investments	42,507,923	43,556,353
Purchases of investments	(45,881,005)	(47,872,659)
Increase in notes receivable	(225,149)	(72,814)
Increase in amounts held by bond trustees	(60,446)	(197,793)
Net cash used in investing activities	(9,060,447)	(11,661,507)
Cash flows from financing activities:		
Contributions and investment income restricted for long-term purposes	1,589,255	4,103,382
Increase in contributions receivable restricted for long-term purposes	(941,955)	(1,119,510)
Repayments of long-term debt	(1,404,900)	(1,294,557)
Increase in refundable Federal grants	47,947	38,412
Net cash (used in) provided by financing activities	(709,653)	1,727,727
Net (decrease) increase in cash and cash equivalents	(3,858,912)	355,909
Cash and cash equivalents at beginning of year	14,115,609	13,759,700
Cash and cash equivalents at end of year	\$ 10,256,697	14,115,609
Supplemental data:		
Interest paid	\$ 1,955,768	2,235,642

See accompanying notes to financial statements.

WAGNER COLLEGE

Notes to Financial Statements

August 31, 2008 and 2007

(1) Nature of Operations

Wagner College (the College) is a private residential college located on Staten Island in New York City. It is strongly committed to undergraduate and graduate education in which all professional and liberal arts majors receive the foundation of a broad-based core of knowledge. The College grants the degrees of bachelor of arts, bachelor of science, bachelor of science in education, master of business administration, master of science, and master of science in education.

(2) Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting.

Basis of Presentation

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

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

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

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the College. At August 31, 2008 and 2007, permanently restricted net assets provide investment income primarily for scholarships, building maintenance, academic support, and the library.

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

Cash Equivalents

Money market accounts, certificates of deposit, and any highly liquid debt instrument with an original maturity of three months or less are considered cash equivalents, with the exception of those managed as a component of the College's long-term investment portfolio.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value based upon quoted market prices. Realized and unrealized gains and losses are recognized as changes in net assets in the period in which they occur, and investment income is recognized as revenue in the period earned.

WAGNER COLLEGE

Notes to Financial Statements

August 31, 2008 and 2007

The College has interpreted New York State law to allow the spending of income and gains on investments of permanently restricted net assets, absent explicit donor stipulations that all or a portion of such income or gains be maintained in perpetuity. State law allows the College to appropriate and spend such income and gains, as is prudent, considering such factors as the College's long- and short-term needs, present and anticipated financial requirements, expected total return on investments, price level trends, and general economic conditions. Accordingly, such realized and unrealized gains and losses, as well as gains and losses on temporarily restricted and unrestricted net assets, are reported as temporarily restricted or unrestricted, based upon the existence or absence of donor stipulations as to their use. However, there is one permanently restricted gift, which the donor stipulated a portion of such income and gains be maintained in perpetuity. Accordingly, a portion of income and gains (and losses) on this gift is reported as permanently restricted.

Contributions

Contributions, including unconditional promises to give (pledges), are recognized as revenue when received. Contributions to be received after one year are discounted at an appropriate discount rate. Contributions related to charitable remainder trusts are recognized at the date the trusts are established at the present value of the estimated future cash flows to be received by the College.

Property, Plant, and Equipment

Physical plant and equipment are stated at cost at date of acquisition or fair value at date of donation in the case of gifts. Library books are capitalized at the nominal value of \$1 per volume.

Depreciation of plant assets is computed on a straight-line basis over their estimated useful lives. Depreciable lives of buildings and improvements range from 15 to 50 years. Furnishings and equipment are depreciated over a useful life of seven years. Computer hardware is depreciated over a useful life of three to seven years. No depreciation is computed in the year assets are acquired, and a full year's depreciation is computed in the year of disposition.

U.S. Government Grants Refundable

Funds provided by the U.S. Government under the Federal Perkins and Nursing Student Loan programs are loaned to qualified students and may be reloaned after collection. These funds are ultimately refundable to the U.S. Government and are presented in the accompanying balance sheets as a liability.

Fund-Raising Expenses

Institutional support includes fund-raising expenses, which approximated \$2,434,000 in 2008 and \$2,321,000 in 2007.

Accounting Estimates

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

WAGNER COLLEGE

Notes to Financial Statements

August 31, 2008 and 2007

Recent Accounting Pronouncements

In June 2006, the Financial Accounting Standards Board (FASB) issued Interpretation No. 48, *Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109* (FIN 48). 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. There was no material impact to the College's financial statements as a result of the adoption of FIN 48.

In September 2006, the FASB issued Statement of Financial Accounting Standards (SFAS) No. 157, *Fair Value Measurements* (SFAS 157). SFAS 157 defines fair value, establishes a framework for measuring fair value, and requires expanded disclosures about fair value measurements. SFAS 157 is effective for reporting periods beginning after November 15, 2007. The impact of adoption of SFAS 157 is currently being evaluated by the College. SFAS 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, *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* (FSP), 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 ending August 31, 2009, the College will have to adopt the disclosure requirements of the FSP.

Deferred Revenue

Tuition and fees collected in advance of the fiscal school year are recorded as deferred revenue in the accompanying financial statements.

Other Significant Accounting Policies

Other significant accounting policies are set forth in the financial statements and the following notes.

(3) Investments

Investments at August 31, 2008 and 2007 consist of the following:

	2008		2007	
	Cost	Fair value	Cost	Fair value
Money market accounts	\$ 5,288,114	5,288,114	1,386,718	1,386,718
Mutual funds	1,695,131	1,630,735	588,391	692,824
Corporate stocks	25,707,950	28,386,651	23,572,004	30,159,657
Fixed-income securities	10,770,062	10,780,841	13,488,573	13,340,659
	<u>\$ 43,461,257</u>	<u>46,086,341</u>	<u>39,035,686</u>	<u>45,579,858</u>

WAGNER COLLEGE

Notes to Financial Statements

August 31, 2008 and 2007

The College 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. The fair value of the College's investments at November 30, 2008 (the most recent date available) was approximately \$35.4 million.

Investment income as of August 31, 2008 and 2007 consists of the following:

	2008	2007
Interest and dividends	\$ 1,505,400	1,257,607
Net realized and unrealized (losses) gains on investments	(2,866,599)	6,546,122
	\$ (1,361,199)	7,803,729

(4) Contributions Receivable

Contributions receivable at August 31, 2008 and 2007 are scheduled to be collected as follows:

	2008	2007
In the next year	\$ 2,717,528	2,282,441
In one to five years	9,381,600	9,876,985
	12,099,128	12,159,426
Less present value discount at 5%	(1,149,008)	(1,305,438)
	\$ 10,950,120	10,853,988

The College is the remainder beneficiary of charitable remainder trusts with assets held by third-party trustees. The receivable from these remainder trusts amounted to \$791,192 at August 31, 2008 and \$919,616 at August 31, 2007. In addition, contributions receivable includes approximately \$9 million from one donor at August 31, 2008.

WAGNER COLLEGE

Notes to Financial Statements

August 31, 2008 and 2007

(5) Property, Plant, and Equipment

Property, plant, and equipment at August 31, 2008 and 2007 consist of the following:

	2008	2007
Land and land improvements	\$ 8,001,961	7,785,979
Buildings and building improvements	64,166,883	61,488,026
Furnishings and equipment	12,026,093	10,973,990
Library books	297,192	296,999
Construction in progress	3,236,618	1,781,983
Total	87,728,747	82,326,977
Less accumulated depreciation	(40,850,264)	(37,515,195)
	\$ 46,878,483	44,811,782

(6) Long-Term Debt

Long-term debt at August 31, 2008 and 2007 consists of the following:

	2008	2007
Bonds payable:		
Wagner College Tax-Exempt Bonds, Series 1998, variable rate averaged 2.58% and 3.62% in 2008 and 2007, respectively, maturing July 1, 2000 to July 1, 2028 (a)	\$ 14,000,000	14,400,000
Wagner College Taxable Serial Bonds, Series 1998, 6.92% yield, maturing July 1, 2001 to July 1, 2023 (b)	20,900,000	21,700,000
Wagner College Consolidation and Construction Bonds of 1962, Series B, 3.385%, maturing October 1, 2012 (c)	650,000	770,000
Total bonds payable	35,550,000	36,870,000
Chartwells loan (d)	637,002	695,095
Mortgage payable (e)	399,298	426,105
	\$ 36,586,300	37,991,200

- (a) On July 30, 1998, the Dormitory Authority of the State of New York issued \$16,600,000 of Wagner College Tax-Exempt Bonds, Series 1998 (the 1998 tax-exempt bonds). The bond proceeds were used to: (i) finance the construction of the College's new recreation center; (ii) increase the debt service reserve remaining from the Series 1992 bonds (as described below); (iii) create a capitalized interest fund; and (iv) pay the costs of issuance of these bonds. Reserve fund deposits consist of fixed income investments, which amounted to \$2,096,984 and \$2,003,719 at August 31, 2008 and 2007, respectively, are included in amounts held by bond trustees in the accompanying financial statements.

WAGNER COLLEGE

Notes to Financial Statements

August 31, 2008 and 2007

The 1998 tax-exempt bonds are subject to redemption prior to maturity at the option of the College, as provided in the Indenture, on each interest payment date at the principal amount plus accrued interest to the date of the redemption. The 1998 tax-exempt bonds are secured on a parity basis with the 1998 taxable bonds (as described below) by the College's gross receipts, consisting of receipts, revenues, income, and other moneys received by the College, subject to prior pledges and by a mortgage on all land and buildings of the College. Under the debt agreement, the College is required to meet certain covenants.

The College has obtained a letter of credit in the amount of the outstanding principal balance of the 1998 tax-exempt bonds with a bank. During 2008 and 2007, there were no borrowings under the letter of credit, and no amount is outstanding as of August 31, 2008 and 2007. Interest expense related to this letter of credit amounted to approximately \$211,000 and \$208,000 for the years ended August 31, 2008 and 2007, respectively.

The College entered into a rate cap agreement with a counterparty, effective April 1, 2003, with the intention of lowering its effective interest rate related to the 1998 tax-exempt bonds. The 1998 tax-exempt bonds are variable-rate bonds, with the rate based on the Bond Market Association Municipal Swap Index. The counterparty pays the College the amount by which the floating rate exceeds the cap rate of 4.50%, on a monthly basis, beginning May 1, 2003. The rate cap agreement terminated on April 1, 2008. The fair value of the rate cap at August 31, 2007 was inconsequential to the accompanying financial statements.

The College entered into a new rate cap agreement with a counterparty, effective April 1, 2008, with the intention of lowering its effective interest rate related to the 1998 tax-exempt bonds. The counterparty pays the College the amount by which the floating rate exceeds the cap rate of 4.50%, on a monthly basis, beginning May 1, 2008. The rate cap agreement terminates on April 1, 2013. The fair value of the rate cap at August 31, 2008 is \$50,620 and is included in inventory, prepaid expenses, and other assets in the accompanying financial statements.

- (b) In addition, on July 30, 1998, the College issued Wagner College Taxable Serial Bonds, Series 1998 (the 1998 taxable bonds), which are unconditional, direct, and general obligations of the College. The bond proceeds were used to: (i) provide payment of Wagner College Taxable Serial Bonds, Series 1992 and Wagner College Taxable Capital Appreciation Bonds, Series 1992; (ii) increase the debt service reserve remaining from the Series 1992 bonds; and (iii) pay the costs of issuance of these bonds. The Series 1992 bonds have been defeased. Accordingly, an amount equal to the outstanding obligation, plus accrued interest, of the Series 1992 bonds has been deposited into an irrevocable trust. Since the College was legally released from its obligation under the bonds, the debt is no longer recorded in the College's financial statements. Amounts deposited in the debt reserve funds in the amounts of \$3,203,807 and \$3,140,746 at August 31, 2008 and 2007, respectively, consist of short-term investments and are included in amounts held by bond trustees in the accompanying financial statements.

WAGNER COLLEGE

Notes to Financial Statements

August 31, 2008 and 2007

The 1998 taxable bonds are subject to redemption, prior to maturity at the option of the College, at any time as provided in the Indenture at the principal amount plus interest to the date of redemption. In addition, redemption of the bonds requires the payment of a yield maintenance premium, which is calculated by a formula described in the Indenture. The 1998 taxable bonds are secured on a parity basis with the 1998 tax-exempt bonds by the College's gross receipts, consisting of receipts, revenues, income, and other moneys received by the College, subject to prior pledges, and by a mortgage on all land and buildings of the College. Under the debt agreement, the College is required to meet certain covenants, which include a debt service coverage ratio.

- (c) The Consolidation and Construction Bonds of 1962 are general obligations of the College additionally secured by a first mortgage on the dormitories and related facilities constructed with the proceeds of the issues and on the site thereof and by a first lien on and a pledge of: (i) the net revenues to be derived from the operation of and/or ownership of the dormitory facilities; (ii) the first \$28,900 of annual revenue derived from student union fees; (iii) the first \$60,000 of annual revenue derived from special student fees (other than student union fees); and (iv) marketable investments having an estimated fair value of not less than \$107,000. The Consolidation and Construction Bonds of 1962 provide for repayment in increasing annual installments until the maximum annual amount of \$135,000 is reached in 2011. The final installment of \$135,000 is due October 1, 2012.

The Indenture requires that the College make semiannual deposits to a bond and interest sinking fund account based upon the larger of: (i) the balance in the revenue fund account; or (ii) an amount sufficient to meet the next interest and principal payments due and to maintain the debt service reserve at \$290,000. In addition, a repair and replacement reserve account has been established into which shall be deposited from the revenue fund account, on or before the close of each fiscal year, (i) the sum of \$10,000 or such portion thereof as is available for transfer annually for an equipment reserve until the funds in and/or investments of the equipment reserve portion of the reserve account shall aggregate \$200,000, and thereafter such sums, but not more than \$10,000 annually, as shall be required to restore and maintain the \$200,000 balance and (ii) the sum of \$21,000 or such portion thereof as is available for transfer annually to a repairs reserve.

Amounts held by bond trustees total \$359,045 and \$454,925 at August 31, 2008 and 2007, respectively, of which \$112,245 in both 2008 and 2007, respectively, are pledged as collateral in connection with these bonds.

- (d) On May 1, 2004, the College obtained a loan in the amount of \$885,000 with a discounted interest rate of 6.92% with Chartwells Division, with a term of 12 years. The funds have been drawn by the College for the construction of a new dining facility that was completed in fiscal year 2004.
- (e) In fiscal year 1998, the College purchased a residence for \$653,000, of which \$520,000 was financed. During 2004, the College refinanced this mortgage for a term of 15 years at a fixed interest rate of 6.00%.

WAGNER COLLEGE
Notes to Financial Statements
August 31, 2008 and 2007

Future minimum principal and interest payments on the College's long-term debt at August 31 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending August 31:			
2009	\$ 1,415,605	2,374,190	3,789,795
2010	1,721,691	2,284,554	4,006,245
2011	1,833,190	2,175,593	4,008,783
2012	1,845,127	2,059,109	3,904,236
2013	1,952,531	1,941,988	3,894,519
Thereafter	27,818,156	12,093,234	39,911,390
	<u>\$ 36,586,300</u>	<u>22,928,668</u>	<u>59,514,968</u>

Interest expense for the years ended August 31, 2008 and 2007 was \$1,955,768 and \$2,235,606, respectively.

(7) Temporarily Restricted Net Assets

Temporarily restricted net assets at August 31, 2008 and 2007 are principally for plant projects and program support to be funded by capital campaign contributions or are time restricted under split-interest agreements. In 2008 and 2007, certain previously recorded contributions were reclassified to other net asset categories based on changes in donors' designations.

(8) Pensions and Other Postretirement Benefits

The College maintains a defined contribution (money purchase) retirement plan (the Plan), which covers certain faculty, administrative, and staff personnel. Benefits are provided by fixed dollar annuities issued by the Teachers Insurance and Annuity Association (TIAA) and by variable annuities offered by its companion organization, the College Retirement Equities Fund (CREF). The Plan operates under Section 403(b) of the Internal Revenue Code and uses TIAA and CREF retirement annuities to provide pension benefits. The College's contribution to the Plan is 9% of each covered employee's annual salary for the first seven years of employment and 10% for each year thereafter.

Contributions were also paid in 2008 and 2007 to three union multi-employer retirement plans for maintenance personnel. Total pension expense for the years ended August 31, 2008 and 2007 was approximately \$1,772,000 and \$1,579,000, respectively.

Certain college employees who retired prior to 1995 will receive payments from the College designed to help defray the cost of healthcare benefits, which those retired employees must secure on their own. Those payments, of \$600 each per individual retiree, are currently made to 39 retired College employees and are made annually during the first quarter of the calendar year. The College has recognized a liability for the present value of the annual \$600 payments to each of these individuals, which at August 31, 2008 was \$161,236.

WAGNER COLLEGE

Notes to Financial Statements

August 31, 2008 and 2007

(9) Operating Leases

The College leases office equipment under noncancelable operating leases, which expire in fiscal years 2009 through 2014. The following summarizes the future minimum lease payments at August 31:

	<u>Amount</u>
Year ending August 31:	
2009	\$ 447,000
2010	379,000
2011	241,000
2012	57,000
2013	34,000
2014	2,000
	<u>\$ 1,160,000</u>

(10) Litigation

The College is involved in various claims and legal actions arising in the ordinary course of business. The College maintains insurance with respect to defense costs and potential damage awards. In the opinion of the College, the ultimate disposition of these matters will not have a material adverse effect on the College's financial statements.

(11) Gain on Settlement

Metropolitan Intercollegiate Basketball Association (MIBA) was formed in 1938 as a not-for-profit entity organized as a voluntary association situated in the City and State of New York consisting of five member institutions: Fordham University, Manhattan College, New York University, St. John's University, and Wagner College. MIBA controlled, directed, and supervised a preseason and postseason college basketball tournament known as the National Invitation Tournament.

On or about June 4, 2001, MIBA entered into litigation against the National Collegiate Athletic Association (NCAA) seeking to collect damages and injunctive relief for alleged violations of Federal antitrust laws.

On August 17, 2005, MIBA and the NCAA came to a mutual understanding with respect to the settlement of the lawsuit whereby the NCAA agreed to acquire the assets of MIBA. In consideration, at the closing of the transaction, the NCAA agreed to pay to MIBA \$9,000,000. In addition, the NCAA agreed to pay to MIBA's five schools the sum of \$45,000,000 in total or \$1,000,000 per school on August 31 of each year, beginning in 2006, for the nine years following the closing of the transaction, equaling \$45,000,000. During these nine years, the five schools will also share 40% of the net income of the tournaments. The payout will be based on a minimum net income of \$625,000.

WAGNER COLLEGE

Notes to Financial Statements

August 31, 2008 and 2007

In 2005, the College recorded a gain on the settlement and corresponding receivable of approximately \$7,400,000. In 2006, the College recorded an additional gain of approximately \$182,000, upon receipt of a final settlement distribution and, in 2007 and 2008, an additional amount of approximately \$414,000 and \$374,000, respectively, which represents the reversal of the present value discount on the receivable.

(12) Conditional Asset Retirement Obligations

In March 2005, the Financial Accounting Standards Board (FASB) issued Interpretation No. 47, *Accounting for Conditional Asset Retirement Obligations* (FIN 47). Under FIN 47, costs related to legal obligations to perform certain activities in connection with the retirement, disposal, or abandonment of assets are required to be accrued. The College identified asbestos abatement as a conditional asset retirement obligation and computed the present value of remediation costs to be approximately \$1,300,000. The associated asset was deemed to be partially depreciated. The asset retirement obligation at August 31, 2008 and 2007 included in other liabilities was approximately \$1.4 million and \$1.3 million, respectively.

(13) Subsequent Events

On September 3, 2008, the Wagner College Board of Trustees passed a resolution approving the borrowing of \$30,500,000 to be used to construct a new 200-bed student residence. The amount authorized to be borrowed will cover all construction, design, engineering and bond issuance costs. On September 24, 2008, the Dormitory Authority of the State of New York approved the issuance of \$30,500,000 variable rate tax exempt bonds which the College will use to construct the new building. The College anticipates the issuance of these bonds in January 2009. In addition, on December 5, 2008 the Wagner College Board of Trustees passed a resolution approving a bank loan in an amount up to \$25,000,000 million to be used to defease the existing Wagner College Taxable Serial Bonds, Series 1998. The amount borrowed will provide for an amount to be set aside to defease the existing bonds, as well as legal and other costs associated with the borrowing.

On December 15, 2008 the College entered into a multi-part agreement with a bank to provide letters of credit and the \$25,000,000 loan mentioned above. The first part calls for the bank to provide a letter of credit which would replace the existing letter of credit on the Wagner College Tax-Exempt Bonds, Series 1998. The second part of the agreement provides a term loan of up to \$25,000,000, the proceeds of which will be used to defease the existing Wagner College Taxable Serial Bonds, Series 1998. The third part of the agreement provides a letter of credit on the new \$30,500,000 issue of tax exempt variable rate bonds. The College expects this financing to close January 2009.

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

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SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT

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

Construction of Project

The Institution agrees that, whether or not there are sufficient moneys available to it under the provisions of the Resolution, the Series Resolution and the Loan Agreement, the Institution shall complete the acquisition, design, construction, reconstruction, rehabilitation and improving or otherwise providing and furnishing and equipping of the Project, substantially in accordance with the Contract Documents related to such Project. Subject to the conditions of the Loan Agreement, the Authority will, to the extent of moneys available in the Construction Fund, cause the Institution to be reimbursed for, or pay, any costs and expenses incurred by the Institution which constitute Costs of the Project, provided such costs and expenses are approved by the Authority and provided such costs and expenses are approved in writing by the Credit Facility Provider with a Credit Facility issued and existing with respect to the Series of Bonds issued with respect to such Project. The Series 1998 Project has been completed and no moneys are available in the Construction Fund with respect to the initial construction and equipping of the Series 1998 Project.

(Section 5)

Amendment of the Project; Cost Increases; Additional Obligations

The Project may be amended by the Institution upon compliance with Governmental Requirements and 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 the Project which the Authority is authorized to undertake.

(Section 6)

Maintenance of Corporate Existence; Merger, Consolidation, Sale or Transfer Under Certain Conditions

The Institution covenants that it will maintain its corporate existence, will continue to operate as a not-for-profit institution for higher education, will obtain, maintain and keep in full force and effect such governmental approvals, consents, licenses, permits and accreditations as may be necessary for the continued operation of the Institution as an institution for higher education providing such programs of instruction as it may from time to time determine, will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another corporation or permit one or more corporations to consolidate with or merge into it; provided, however, that if no Event of Default (as defined hereinbelow under the heading "Defaults and Remedies") shall have occurred and be continuing and prior written notice shall have been given to the Authority, the Credit Facility Provider and the Trustee, the Institution may (i) sell or otherwise transfer all or substantially all of its assets to, or consolidate with or merge into, another organization or corporation which qualifies under Section 501(c)(3) of the Code, or any successor provision of federal income tax law, or (ii) permit one or more corporations or any other organization to consolidate with or merge into it, or (iii) acquire all or substantially all of the assets of one or more corporations or any other organization; provided, however, (a) that any such sale, transfer, consolidation, merger or acquisition does not in the opinion of Bond Counsel adversely affect the exemption from federal income tax of the interest paid or payable on the Bonds, (b) that the surviving, resulting or transferee corporation, as the case may be, is incorporated under the laws of the State, and qualified under Section 501(c)(3) of the Code or any successor provision of federal income tax law, and (c) that the surviving, resulting or transferee corporation, as the case may be, assumes in writing all of the obligations of and restrictions on the Institution under the Loan Agreement and under any Mortgage and furnishes to the Authority and the Credit Facility Provider (i) a certificate to the effect that upon such sale, transfer, consolidation, merger or acquisition such corporation shall be in compliance with each of

Appendix C

the provisions of the Loan Agreement and shall meet the requirements of the Act and (ii) such other reports, certificates and opinions as may reasonably be required by the Authority and the Credit Facility Provider.

(Section 9)

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

Except to the extent that moneys are available therefor under the Resolution or under the Loan Agreement (other than amounts provided by the Credit Facility Provider), including moneys in the Debt Service Fund, but excluding moneys from the Debt Service Reserve Fund, if any, and excluding interest accrued but unpaid on investments held in the Debt Service Fund, the Institution by the Loan Agreement unconditionally agrees to pay or cause to be paid, 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 Bonds of a Series, the amount to be applied as a credit against payment of the Authority Fee;

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

(c) On or before the tenth (10th) day of the month prior to an interest payment date on Outstanding Variable Interest Rate Bonds, the interest coming due on such Variable Interest Rate Bonds on such interest payment date, assuming 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 the tenth (10th) day of each of the twelve calendar months immediately preceding the date on which such interest becomes due, one twelfth (1/12) of the interest coming due on all Bonds, bearing interest at a Fixed Rate, on the immediately succeeding interest payment date for such Bonds; **provided, however,** that, if there are less than twelve (12) such months prior to the first such interest payment date on the Bonds of a Series, on each payment date prior to such interest payment date, the Institution shall pay with respect to such Bonds an amount equal to the interest coming due on such Bonds on such interest payment date multiplied by a fraction, the numerator of which is one (1) and the denominator of which is the number of months prior to the first interest payment date on the Bonds of such Series;

(e) On the fifth (5th) Business Day prior to a payment date on which the principal or a Sinking Fund Installment of Bonds becomes due, the amount required to pay the principal and Sinking Fund Installments on the Bonds coming due on such payment date;

(f) At least forty-five (45) days 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, other than an Option Bond to be purchased or redeemed pursuant to an optional or mandatory tender thereof, the amount required to pay the Redemption Price or purchase price of such Bonds;

(g) Reserved;

(h) 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 payable shall become effective, with respect to the Series 1998 Bonds on December 10, 1998 and with respect to any other Series of Bonds on the date agreed to by the Institution and the Authority at the time Bonds of such Series are issued; and, provided, further, 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);

(i) 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 pursuant to the Loan Agreement and any expenses or liabilities incurred by the Authority pursuant to the Loan Agreement, (iii) for the costs and expenses incurred to compel full and punctual performance of all the provisions of the Loan Agreement, any Mortgage and the Resolution in accordance with the terms of the Loan Agreement, (iv) for the fees and expenses of the Trustee and any Paying Agent and reasonable attorneys' fees in connection with performance of their duties under the Resolution, and (v) 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 the Project, including but not limited to any fees or other amounts payable under a Remarketing Agreement or to a Facility Provider;

(j) On the date a Series of Bonds, other than the Series 1998 Bonds, is issued, an amount equal to the Authority Fee;

(k) 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 Institution as a result of an acceleration pursuant to the Loan Agreement;

(l) Reserved;

(m) 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 or otherwise paid to the Department of the Treasury of United States of America in accordance with the Code in connection with the Bonds of such Series;

(n) On the Business Day immediately preceding an interest payment date, if the amount on deposit in the Debt Service Fund is less than the amounts required for the payment of principal or Sinking Fund Installments of, or interest on, Bonds due and payable on such interest payment date and provided that funds therefor are not available under the Credit Facility or otherwise available under the terms of the Resolution and the applicable Series Resolution, the amount of such deficiency;

(o) On the date any amount is due and payable to the Credit Facility Provider under the Reimbursement Agreement, such amount; and

(p) On any Business Day, if the amount on deposit with the Trustee (exclusive of moneys drawn under the Credit Facility) is less than the amount required for payment of the purchase price of the Option Bonds of a Series of Bonds which have been tendered for purchase or deemed purchased on such date, the amount of such deficiency.

Subject to the provisions of the Resolution and the Loan Agreement, the Institution shall receive a credit against the amount required to be paid by the Institution during a Bond Year pursuant to paragraph (e) of this subdivision 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 on the next succeeding payment date upon which a Sinking Fund Installment is payable, the Institution delivers to the Trustee for cancellation one or more Bonds of the Series and maturity to be so redeemed on such payment date. The amount of the credit shall be equal to the principal amount of the Bonds so delivered.

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The Authority by the Loan Agreement directs the Institution, and the Institution by the Loan Agreement agrees, to make the payments required by paragraphs (c), (d), (e), (f), (k), (n) and (p) of this subdivision directly to the Trustee for deposit and application in accordance with the Resolution, the payments required by paragraph (b) of this subdivision 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), (h), (i) and (j) of this subdivision, if any, directly to the Authority, the payments required by paragraph (m) of this subdivision to the Trustee for deposit in the Arbitrage Rebate Fund, and the payments required by paragraph (o) of this subdivision directly with the Credit Facility Provider.

Notwithstanding any provision in the Loan Agreement or in the Resolution or the Series Resolution to the contrary (except as otherwise specifically provided for in this subdivision), (i) all moneys paid by the Institution to the Trustee pursuant to paragraphs (c), (d), (e), (f), (k), (n) and (p) above (other than moneys received by the Trustee pursuant to the Resolution which shall be retained and applied by the Trustee for its own account) shall be received by the Trustee as agent for the Authority in satisfaction of the Institution's indebtedness to the Authority with respect to the interest on and principal or Redemption Price of the Bonds to the extent of such payment and (ii) the transfer by the Trustee of any moneys (other than moneys described in clause (i) of this subdivision) held by it in the Construction Fund to the Debt Service Fund in accordance with the applicable provisions of the Loan Agreement or of the Resolution shall be deemed, upon such transfer, receipt by the Authority from the Institution of a payment in satisfaction of the Institution's indebtedness to the Authority with respect to the Redemption Price of the Bonds to the extent of the amount of moneys transferred. 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 Institution to make payments or cause the same to be made under the Loan Agreement shall be complete 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 Institution 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 Institution to complete the Project or the completion thereof with defects, failure of the Institution to occupy or use the Project, any declaration or finding that the Bonds or any Series of Bonds are, 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 Institution 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 Institution for, or to pay, the Costs of the Projects relating to the Project, beyond the extent of moneys available in the Construction Fund established for the Project.

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

An Authorized Officer of the Authority, for the convenience of the Institution, shall furnish to the Institution 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 in the Loan Agreement. The Institution shall notify the Authority as to the amount and date of each payment made to the Trustee by the Institution.

The Authority shall have the right in its sole discretion to make on behalf of the Institution any payment required pursuant to the Loan Agreement which has not been made by the Institution when due. No such payment by the Authority shall limit, impair or otherwise affect the rights of the Authority under the Loan Agreement arising out of the Institution'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 Institution to make such payment.

The Institution, if no Event of Default has occurred and is continuing 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 accordance with the directions of an Authorized Officer of the Authority in the Debt Service Fund or held by the Trustee for the payment of Bonds in accordance with the Resolution. Upon any voluntary payment by the Institution or upon any deposit in the Debt Service Fund made pursuant to the Loan Agreement, 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 Institution, 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.

If the Institution elects to purchase Bonds, with the written consent of the Authority, the Institution shall give written notice to the Authority and the Trustee whenever Bonds are to be purchased at the election of the Institution, which written notice shall include the maturity and principal amount of the Bonds to be so purchased. All such purchases shall be subject to the condition that money for the payment of the purchase price therefor is available on the date set for each such purchase.

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

(Section 10)

Reserve Funds

Except to the extent a deposit is made to the Debt Service Reserve Fund upon the issuance of a Series of Bonds from the proceeds of the sale of such Bonds, simultaneously with the issuance of a Series of Bonds the Institution shall deliver to the Trustee for deposit in the Debt Service Reserve Fund, moneys, Government Obligations or Exempt Obligations the value of which is at least equal to the Debt Service Reserve Fund Requirement. The Institution agrees that it will at all times maintain on deposit in the Debt Service Reserve Fund an amount at least equal to the Debt Service Reserve Fund Requirement; **provided, however**, that the Institution shall be required to deliver moneys, Government Obligations or Exempt Obligations to the Trustee for deposit in the Debt Service Reserve Fund as a result of a deficiency in such fund only upon receipt of the notice required by the Resolution, and **provided, further**, that the Institution shall not deliver to the Trustee, and the Trustee shall not accept, moneys, Government Obligations or Exempt Obligations for deposit in the Debt Service Reserve Fund unless and until all obligations of the Institution under the Loan Agreement that are due and payable have been paid.

The Institution may deliver to the Trustee a Reserve Fund Facility for all or any part of the Debt Service Reserve Fund Requirement in accordance with and to the extent permitted by the Resolution. Whenever a Reserve Fund Facility has been delivered to the Trustee and the Institution is required to restore the Debt Service Reserve Fund Requirement, it shall reimburse directly, or pay to the Authority an amount sufficient to reimburse, the Facility Provider in order to cause the Reserve Fund Facility to be restored to its full amount and shall then deliver additional moneys or Government Obligations or Exempt Obligations necessary to restore the Debt Service Reserve Fund to the Debt Service Reserve Fund Requirement.

The delivery to the Trustee of Government Obligations, Exempt Obligations or other Securities from time to time made by the Institution pursuant to the Loan Agreement for deposit to the Debt Service Reserve Fund, if applicable, shall constitute a pledge thereof, and shall create a security interest therein, for the benefit of the Authority to secure performance of the Institution's obligations under the Loan Agreement and for the benefit of the

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Trustee to secure the performance of the obligations of the Authority under the Resolution. The Institution authorizes the Authority pursuant to the Resolution to pledge such Government Obligations, Exempt Obligations or other Securities to secure payment of the principal, Sinking Fund Installments, if any, and Redemption Price of, and interest on, the Bonds, whether at maturity, upon acceleration or otherwise, and the fees and expenses of the Trustee, and to make provision for and give directions with respect to the custody, reinvestment and disposition thereof in any manner not inconsistent with the terms of the Loan Agreement and of the Resolution.

All Government Obligations, Exempt Obligations or other Securities deposited with the Trustee pursuant to the Loan Agreement for deposit to the Debt Service Reserve Fund, if any, shall be fully negotiable other than United States Treasury Certificates of Indebtedness State and Local Government Series (“SLGS”) (subject to provisions for registration thereof) and the principal thereof and the interest, dividends or other income payable with respect thereto shall be payable to bearer or to the registered owner. All Government Obligations, Exempt Obligations or other Securities in registered form shall be registered in the name of the Trustee (in its fiduciary capacity) or its nominee. Record ownership of all Government Obligations, Exempt Obligations or other Securities shall be transferred promptly following their delivery to the Trustee into the name of the Trustee (in its fiduciary capacity) or its nominee. The Institution by the Loan Agreement appoints the Trustee its lawful attorney-in-fact for the purpose of effecting such registrations and transfers.

The Institution by the Loan Agreement agrees that upon each delivery to the Trustee of Government Obligations, Exempt Obligations or other Securities, whether initially or upon later delivery or substitution, the Institution shall deliver to the Authority and the Trustee a certificate of an Authorized Officer of the Institution to the effect that the Institution warrants and represents that the Government Obligations, Exempt Obligations or other Securities delivered by the Institution (i) are on the date of delivery thereof free and clear of any lien, pledge, charge, security interest or other encumbrance or any statutory, contractual or other restriction that would be inconsistent with or interfere with or prohibit the pledge, application or disposition of such Government Obligations, Exempt Obligations or other Securities as contemplated by the Loan Agreement or by the Resolution and (ii) are pledged under the Loan Agreement pursuant to appropriate corporate action of the Institution duly had and taken.

Prior to the initial delivery of Government Obligations, Exempt Obligations or other Securities (other than moneys) to the Trustee pursuant to the Loan Agreement for deposit to the Debt Service Reserve Fund and upon any later delivery or substitution, the Institution will, at its cost and expense, provide to the Authority, the Credit Facility Provider and the Trustee a written opinion of counsel satisfactory to the Authority to the effect that the Institution has full corporate power and authority to pledge such Government Obligations, Exempt Obligations and other Securities as security in accordance herewith, such Government Obligations, Exempt Obligations and other Securities have been duly delivered by the Institution to the Trustee, such delivery creates a valid and binding pledge and security interest therein in accordance with the terms of the Loan Agreement and of the Resolution, and nothing has come to the attention of such counsel that would lead it to believe that the Government Obligations, Exempt Obligations and other Securities delivered by the Institution are not free and clear of all liens, pledges, encumbrances and security interests or are subject to any statutory, contractual or other restriction which would invalidate or render unenforceable the pledge and security interest therein, or the application or disposition thereof, contemplated by the Loan Agreement or by the Resolution. In lieu of providing a written opinion of counsel to the Institution as required in the Loan Agreement after every substitution of Government Obligations, Exempt Obligations or other Securities in the Debt Service Reserve Fund, the Institution may provide such written opinion of counsel after the first substitution provided that it shall furnish to the Authority, the Credit Facility Provider and the Trustee, once in every calendar quarter (in the first week of each January, April, July and October) thereafter in which a substitution is made, a further written opinion of counsel to the Institution to the effect that all Government Obligations, Exempt Obligations or other Securities deposited into any fund or account established under the Resolution or the Series Resolution, to and including the date of such opinion of counsel, comply with the requirements of this paragraph.

(Section 12)

Security Interest in Gross Receipts

As security for the payment of all liabilities and the performance of all obligations of the Institution pursuant to the Loan Agreement, the Institution does by the Loan Agreement continuously pledge, grant a security

interest in, and assign to the Authority the Gross Receipts, together with the Institution's right to receive and collect the Gross Receipts and the proceeds of the Gross Receipts, and of such right. This pledge, grant of security interest in and assignment of the Gross Receipts shall be subordinate only to the Prior Pledges.

The Institution represents and warrants that, except as pledged to secure the Bank Loan, no part of the Gross Receipts or any right to receive or collect the same nor the proceeds thereof is subject to any lien, pledge, security interest or assignment other than Prior Pledges and that the Gross Receipts assigned pursuant to the Loan Agreement are legally available to provide security for the Institution's performance under the Loan Agreement. The Institution agrees that, except as permitted under the Resolution and the Loan Agreement, it shall not hereafter create or permit the creation of any pledge, assignment, encumbrance, restriction, security interest in or other commitment of or with respect to the Gross Receipts which is prior or equal to the pledge made by the Loan Agreement. The Institution by the Loan Agreement consents to the assignment by the Authority of the Mortgage and the Loan Agreement and the assignment and pledge by the Authority of its security interest in the Gross Receipts to the Trustee and the Credit Facility Provider of the Credit Facility issued with respect to the Series 1998 Bonds and the Series 2009 Bonds.

(Section 13)

Collection of Gross Receipts

Subject to the provisions of the paragraph below and of the Intercreditor Agreement, commencing on the date on which Bonds are first issued and delivered and continuing until no Bonds are Outstanding, the Institution shall deliver to the Trustee in accordance with the Resolution all Gross Receipts (other than the amounts subject to the Prior Pledges) within ten (10) days following the receipt thereof by the Institution. Subject to the last paragraph under this heading and the Intercreditor Agreement, in the event that, pursuant to the Loan Agreement, the Authority notifies the Institution that account debtors are to make payments directly to the Authority or the Trustee, such payments shall be made directly to the Authority or the Trustee notwithstanding anything contained in this subdivision, but the Institution shall continue to deliver to the Trustee for deposit in accordance with the Resolution any payments received by the Institution with respect to the Gross Receipts (other than such amounts subject to the Prior Pledges).

Notwithstanding anything to the contrary in the paragraph above, but subject to the provisions of the last paragraph under this heading and the Intercreditor Agreement, the Institution shall not be required by virtue of the paragraph above, to deliver Gross Receipts to the Trustee for the benefit of Bondholders (a) at any time that there are no amounts currently due and payable by the Institution under the Loan Agreement or (b) on the day amounts are due and payable under the Loan Agreement, if such amounts are being paid in full on such date.

Any Gross Receipts collected by the Institution that are neither subject to the Intercreditor Agreement nor required to be paid to the Trustee pursuant to the Loan Agreement shall be free and clear of the security interest granted thereby and by the Loan Agreement and may be disposed of by the Institution for any of its corporate purposes.

Upon the occurrence of a Trigger Event (as defined in the Intercreditor Agreement), the Institution shall deliver all Gross Receipts, upon receipt thereof, to the Trustee, which shall cause such Gross Receipts to be delivered to the Gross Receipts Trustee (as defined in the Intercreditor Agreement). Thereafter, the disposition of the Gross Receipts shall be governed by the provisions of the Intercreditor Agreement.

(Section 14)

The Mortgages; Lien on Fixtures, Furnishings and Equipment

If required by the Authority in connection with and as a condition precedent to the issuance of any Series of Bonds, the Institution shall execute and deliver to the Authority a Mortgage in recordable form upon property acceptable to an Authorized Officer of the Authority to secure all obligations and liabilities of the Institution under the Loan Agreement.

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As further security for all obligations and liabilities of the Institution under the Loan Agreement, the Institution, if required by the Authority in connection with and as a condition precedent to the issuance of any Series of Bonds shall grant to the Authority a security interest in such fixtures, furnishings and equipment owned by the Institution which then are or thereafter will be (i) located in or on any Project or Mortgaged Property or (ii) used in connection therewith as may be acceptable to an Authorized Officer of the Authority, and in all proceeds thereof and in all fixtures, furnishings and equipment that are owned by the Institution which may be substituted therefor. The Institution covenants that such fixtures, furnishings and equipment and replacements and proceeds thereof owned by the Institution will at the time the security interest therein is granted to the Authority be free from any other security interest, other than Permitted Encumbrances and any Alternative Parity Indebtedness.

Prior to any assignment of a Mortgage to the Trustee and the Credit Facility Provider of the Credit Facility issued with respect to the Series 1998 Bonds and the Series 2009 Bonds, the Authority, with the consent of such Credit Facility Provider but without the consent of the Trustee or the Holders of Bonds, may consent to the amendment, modification, termination or satisfaction of a Mortgage and, subject to Governmental Requirements, any security interest in fixtures, furnishings or equipment located in or on or used in connection with any Mortgaged Property, and the property subject to any Mortgage or security interest may be released from the lien thereof, all upon such terms and conditions as the Authority may require.

The Institution further covenants that it shall not transfer, sell or convey any interest in any Mortgaged Property without complying with Government Requirements and without obtaining the prior approval of (a) an Authorized Officer of the Authority, which approval shall not be unreasonably withheld or delayed and (b) the Credit Facility Provider, provided that if a Credit Facility Default then exists with respect to such Credit Facility Provider, then the prior approval of the Trustee shall be required. For the purposes of the preceding sentence, the terms transfer, sell or convey shall be deemed not to apply to any residential occupancy of the facilities of the Institution by students attending the Institution. However, if any Mortgaged Property or interest therein is disposed of while Bonds are Outstanding, the Institution shall, absent a prior written agreement with the Authority as to the replacement of such Mortgaged Property or interest therein, pay the net proceeds of such disposition to the Trustee for deposit in the Debt Service Fund. Notwithstanding the foregoing, the Institution (i) may remove, transfer, sell or convey equipment, furniture or fixtures in Mortgaged Property provided that the Institution substitutes for such equipment, furniture or fixtures additional equipment, furniture or fixtures having a value and utility at least equal to the equipment, furniture or fixtures removed or replaced, and (ii) may discard, without substitution thereof, equipment on the Mortgaged Property which may, from time to time, become obsolete.

(Section 16)

Limitation on Encumbrances

The Institution shall not create, assume or suffer to exist any mortgage, deed of trust, pledge, security interest, encumbrance, lien, attachment or charge of any kind (including the charge upon property purchased under conditional sales or other title retention agreements) (a “security interest”) upon the Mortgaged Property, unless the Authority and the Credit Facility Provider of the Credit Facility issued with respect to the Series 1998 Bonds and the Series 2009 Bonds consents to such lien; **provided, however,** that notwithstanding the foregoing provision, the Institution may create, assume or suffer to exist Permitted Encumbrances, may enter into documents evidencing the Bank Loan and a mortgage on the Mortgaged Property in connection therewith and may, subject to the provisions of the Loan Agreement and of the Resolution, incur Alternative Parity Indebtedness.

(Section 17)

Warranty as to Title; Encumbrances; Title Insurance

The Institution warrants and represents to the Authority that (i) it has good and marketable title to the Project and all Mortgaged Property, free and clear of liens and encumbrances, except Permitted Encumbrances, so as to permit it to have quiet enjoyment and use thereof for purposes of the Loan Agreement and the Institution’s purposes and programs and (ii) the Institution has such rights of way, easements or other rights in land as may be reasonably necessary for ingress and egress to and from the Project and all Mortgaged Property, for proper operation and utilization of such Project and such Mortgaged Property and for utilities required to serve such Project and such

Mortgaged Property, together with such rights or way, easements or other rights in, to and over land as may be necessary for construction by the Institution of each such Project.

The Institution covenants that title to the Project and all Mortgaged Property shall be kept free from any encumbrances, liens or commitments of any kind, other than Permitted Encumbrances and such other encumbrances approved in writing by the Authority and the Credit Facility Provider of the Credit Facility issued with respect to the Series 1998 Bonds and the Series 2009 Bonds.

If the Institution is required pursuant to the Loan Agreement to make and execute a Mortgage in connection with the delivery of a Series of Bonds and as a condition precedent to the Authority's obligation to deliver such Bonds, the Institution agrees to provide or reimburse the Authority for providing at the sole option of an Authorized Officer of the Authority: (i) a title insurance policy in form and substance and by insurer(s), all acceptable to an Authorized Officer of the Authority, in the amount of the Bonds issued or such other amount as is acceptable to an Authorized Officer of the Authority, insuring the Mortgage to be a valid first lien on the Mortgaged Property, free and clear of all liens and encumbrances except Permitted Encumbrances and any Alternative Parity Indebtedness; and (ii) a current survey or surveys, including a metes and bounds description, of the Mortgaged Property, certified to the Authority and the issuer of the title insurance policy and showing any easements to which the Mortgaged Property is subject.

The Institution warrants and represents with respect to each improved piece of real property constituting the Project or Mortgaged Property or a part thereof, that (i) such Project and Mortgaged Property are and shall be serviced by all necessary utilities (including without limitation electricity, gas, water, sewer, steam, heating, air-conditioning and ventilation), and (ii) such Project and Mortgaged Property shall have its own separate and independent means of access, apart from any other property owned by the Institution or others. Such access, however, may be through common roads or walks owned by the Institution used also for other parcels owned by the Institution.

(Section 18)

Consent to Pledge and Assignment by the Authority; Covenants, Representations and Warranties

Subject to the provisions of the Intercreditor Agreement, the Institution consents to and authorizes the assignment, transfer or pledge by the Authority to the Trustee and the Credit Facility Provider of the Credit Facility issued with respect to the Series 1998 Bonds and the Series 2009 Bonds of the Authority's rights to receive the payments required to be made pursuant to the Loan Agreement, any or all security interests granted by the Institution under the Loan Agreement, including without limitation the security interest and assignment in or of the Gross Receipts, the Mortgaged Property, and any security interest in the fixtures, furnishings and equipment. The Government Obligations, Exempt Obligations and other Securities pursuant to the Loan Agreement and 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 Institution under the Loan Agreement or arising out of the transactions contemplated by the Loan Agreement whether or not the right to enforce such payment or performance shall be specifically assigned by the Authority to the Trustee and the Credit Facility Provider of the Credit Facility issued with respect to the Series 1998 Bonds and the Series 2009 Bonds. Subject to the provisions of the Intercreditor Agreement, the Institution further agrees that the Authority may pledge and assign to the Trustee and the Credit Facility Provider of the Credit Facility issued with respect to the Series 1998 Bonds and the Series 2009 Bonds 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 and the Credit Facility Provider of the Credit Facility issued with respect to the Series 1998 Bonds and the Series 2009 Bonds authorized by this Section, the Trustee and the Credit Facility Provider of the Credit Facility issued with respect to the Series 1998 Bonds and the Series 2009 Bonds shall be fully vested with all of the rights of the Authority so assigned and pledged and subject to the provisions of the Intercreditor Agreement 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 securing the Institution's obligation to make all payments required by the Loan Agreement and to performing all other obligations required to be performed by the Institution under the Loan Agreement. Any realization upon any Mortgaged Property or any pledge made or security interest granted by the Loan Agreement shall not, by operation of law or otherwise, result in cancellation or termination of the Loan Agreement or the obligations of the Institution under the Loan Agreement.

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The Institution covenants, warrants and represents that it is duly authorized by all applicable laws, its charter and by-laws or resolutions duly adopted pursuant thereto to enter into the Loan Agreement, any remarketing agreement, the Reimbursement Agreement and any Credit Facility, Liquidity Facility or Reserve Fund Facility, to incur the indebtedness contemplated by the Loan Agreement and to pledge, grant a security interest in and assign to the Authority and the Trustee for the benefit of the Holders of the Bonds and the Credit Facility Provider of the Credit Facility issued with respect to the Series 1998 Bonds and the Series 2009 Bonds, the Gross Receipts (subject to the Prior Pledges) and the Government Obligations, Exempt Obligations and other Securities delivered pursuant to the Loan Agreement in the matter and to the extent provided in the Loan Agreement and in the Resolution subject, in all cases, to the provisions of the Intercreditor Agreement. The Institution further covenants, warrants and represents that, except with respect to Additional Bonds, the Bank Loan or Alternative Parity Indebtedness as provided for by the Resolution and Alternative Parity Indebtedness as provided for by in the Loan Agreement, any and all pledges, security interests in and assignments made pursuant to the Loan Agreement are and shall be (or, with respect to pledges, security interests and assignments to be made pursuant to the Loan Agreement, shall be) free and clear of any pledge, lien, charge, security interest or encumbrance thereon or with respect thereto, other than the Permitted Encumbrances, prior to, or of equal rank with, the pledge, security interest or assignment granted or made pursuant to the Loan Agreement or to the Mortgages, and that all corporate action on the part of the Institution to that end has been duly and validly taken. The Institution further covenants that the provisions of the Loan Agreement are and shall be valid and legally enforceable obligations of the Institution in accordance with their terms. The Institution further covenants that it shall at all times, to the extent permitted by law, defend, preserve and protect the pledge, security interest in and assignment of the Gross Receipts and the Government Obligations, Exempt Obligations and other Securities delivered pursuant to the Loan Agreement and all of the rights of the Authority, the Trustee, the Credit Facility Providers and the Holders of Bonds under the Loan Agreement and under the Resolution against all claims and demands of all persons whomsoever. The Institution further covenants, warrants and represents that the execution and delivery of the Loan Agreement, and the consummation of the transaction in the Loan Agreement contemplated and compliance with the provisions of the Loan Agreement, including, but not limited to, the assignment as security or the granting of a security interest in the Government Obligations, Exempt Obligations and Securities delivered to the Trustee pursuant to the Loan Agreement, do not violate, conflict with or result in a breach of any of the terms or provisions of, or constitute a default under, the charter or by-laws of the Institution or any indenture or mortgage, or any trusts, endowments or other commitments or agreements to which the Institution is party or by which it or any of its properties are bound, or any existing law, rule, regulation, judgment, order, writ, injunction or decree of any governmental authority, body, agency or other instrumentality or court having jurisdiction over the Institution or any of its properties.

(Section 20)

Tax-Exempt Status

The Institution 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. The Institution agrees that (a) it shall not perform any act or enter into any agreement which shall adversely affect such federal income tax status and shall conduct its operations in the manner which will conform to the standards necessary to qualify the Institution as an organization within the meaning of Section 501(c)(3) of the Code or any successor provision of federal income tax law and (b) it shall not perform or permit any act or enter into any agreement which could adversely affect the exclusion of interest on the Bonds from federal gross income pursuant to Section 103 of the Code.

On the date on which Bonds first are issued and on each date of issuance thereafter, the Institution shall certify that the principal amount of Bonds and other obligations issued by or for the benefit of the Institution, the interest on which is excluded from gross income for such purposes of federal income taxes, and which are treated as outstanding for such purposes of the Code, does not exceed the limitation thereon imposed by Section 145(b) of the Code. In addition, the Institution shall promptly notify the Authority upon the issuance of any notes, bonds or other

obligations (other than those issued by the Authority) by or for the benefit of the Institution, the interest on which is intended to be excluded from gross income for the purposes of federal income taxes.

(Section 21)

Restrictions on Religious Use

The Institution agrees that with respect to the Project or any portion thereof, so long as the Project or portion thereof exists and unless and until the Project or portion thereof is sold for the fair market value thereof, the 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 the Project or portion thereof to be used without regard to the above stated restriction, said restriction shall not apply to the 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 the Project or any portion or real property thereof financed by Bonds is being used for any purpose proscribed by the Loan Agreement. The Institution by the Loan Agreement further agrees that prior to any disposition of any portion of the 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 each Project to the restriction that (i) so long as such portion of the Project (and, if included in the Project, the real property on or in which such portion of the Project is situated) shall exist and (ii) until such portion of the 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 the 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 the 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 the Project or a portion thereof, upon foreclosure or otherwise, shall be considered a sale for the fair market value thereof.

(Section 25)

Covenant as to Insurance

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

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

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

(Section 27)

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Taxes and Assessments

The Institution shall pay when due at its own expense, and hold the Authority harmless from, all taxes, assessments, water and sewer charges and other impositions, if any, which may be levied or assessed upon the Project, the Mortgaged Property or any part thereof, and upon all ordinary costs of operating, maintaining, repairing and replacing such Project, the Mortgaged Property and its equipment. The Institution shall file exemption certificates as required by law. The Institution agrees to exhibit to an Authorized Officer of the Authority within ten (10) days after written demand by the Authority, certificates or receipts issued by the appropriate authority showing full payment of all taxes, assessments, water and sewer charges and other impositions; provided, however, that the good faith contest of such impositions shall be deemed to be complete compliance with the requirements hereof if the Institution sets aside such reserves as may be required by good accounting practice. Notwithstanding the foregoing, the Authority in its sole discretion, after notice in writing to the Institution, may pay any such charges, taxes and assessments if, in the reasonable judgment of the Authority, the Project, the Mortgaged Property or any part thereof would be in substantial danger by reason of the Institution's failure to pay such charges, taxes and assessments of being sold, attached, forfeited, foreclosed, transferred, conveyed, assigned or otherwise subjected to any proceeding, equitable remedy, lien, charge, fee or penalty that would impair (i) the interests or security of the Authority hereunder or under the Resolution or the Mortgage; (ii) the ability of the Authority to enforce its rights hereunder; (iii) the ability of the Authority to fulfill the terms of any covenants or perform any of its obligations hereunder or under the Resolution or the Mortgage; or (iv) the ability of the Institution to fulfill the terms of any covenants or perform any of its obligations hereunder and the Institution agrees to reimburse the Authority for any such payment, with interest thereon from the date payment was made by the Authority at a rate equal to the highest rate of interest payable on any investment held for the Debt Service Fund on the date such payment was made by the Authority.

(Section 30)

Damage or Condemnation

Subject to the provisions of the Intercreditor Agreement, in the event of a taking of the Project or any Mortgaged Property or any portion thereof by eminent domain or of condemnation, damage or destruction affecting all or part of the Project or Mortgaged Property, then and in such event the entire proceeds of any insurance, condemnation or eminent domain award shall be paid upon receipt thereof by the Institution or the Authority to the Trustee for deposit in the Construction Fund established in connection with the Project, and

(1) if within one hundred twenty (120) days from the receipt by the Authority of actual notice or knowledge of the occurrence, the Institution and the Authority agree in writing that the Project, the Mortgaged Property or the affected portion thereof shall be repaired, replaced or restored, the Institution shall proceed to repair, replace or restore the Project, the Mortgaged Property or the affected portion thereof, including all fixtures, furniture, equipment and effects, to its original condition insofar as possible with such changes and additions as shall be appropriate to the needs of the Institution and approved in writing by the Authority. The funds required for such repair, replacement or restoration shall be paid from time to time as the work progresses, subject to such conditions and limitations as the Authority and the Credit Facility Provider of the Credit Facility issued with respect to the Series 1998 Bonds and the Series 2009 Bonds may reasonably impose, from the proceeds of insurance, condemnation or eminent domain awards received by reason of such occurrence and, to the extent such proceeds are not sufficient from funds to be provided by the Institution;

(2) if no agreement for the repair, restoration or replacement of the Project, the Mortgaged Property or the affected portion thereof shall be reached by the Authority and the Institution within such 120-day period, all respective proceeds (other than the proceeds of builders' risk insurance which shall be deposited pursuant to the Resolution and the applicable Series Resolution) shall be delivered to the Trustee for deposit to the Debt Service Fund for application at the direction of the Authority in accordance with the Resolution.

(Section 28)

Defaults and Remedies

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

(a) the Institution shall default in the timely payment of any amount payable pursuant to the Loan Agreement or in the delivery of Securities or the payment of any other amounts required to be delivered or paid in accordance herewith or with the Resolution and such default continues for a period in excess of seven (7) days;

(b) the Institution defaults in the due and punctual performance of any other covenant in the Loan Agreement contained and such default continues for thirty (30) days after written notice requiring the same to be remedied shall have been given by the Authority or the Trustee, provided that, if, in the determination of both the Authority and the Credit Facility Provider of the Credit Facility issued with respect to the Series 1998 Bonds and the Series 2009 Bonds, 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 Institution 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 Institution 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, Credit Facility Provider or Holders of the Bonds shall be seeking the enforcement of any remedy under the Resolution as a result thereof;

(d) the Institution shall be in default under any Mortgage and such default continues beyond any applicable grace period;

(e) the Institution 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 Institution, 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 Institution, or any petition for any such relief shall be filed against the Institution and such petition shall not be dismissed within sixty (60) days;

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

(h) a petition to dissolve the Institution shall be filed by the Institution with the Secretary of State of the State of New York, the legislature of the State or any other governmental authority having jurisdiction over the Institution;

(i) an order of dissolution of the Institution shall be made by the State of New York, the legislature of the State or any other governmental authority having jurisdiction over the Institution which order shall remain undismitted or unstayed for an aggregate of thirty (30) days;

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(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 Institution which petition shall remain undismissed or unstayed for an aggregate of sixty (60) 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 Institution, 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;

(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, and as a result, also the interests of the Credit Facility Provider, shall be rendered against the Institution and at any time after forty-five (45) days from the entry thereof, (i) such judgment shall not have been discharged, or (ii) the Institution 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 forty-five (45) 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;

(m) the Institution shall be in default under any agreement entered into in connection with the incurrence of Alternative Parity Indebtedness 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 of the Gross Receipts may be foreclosed or realized;

(n) an “event of default” shall have occurred and be continuing under the Reimbursement Agreement; or

(o) an “event of default” shall have occurred and be continuing under the Bank Loan.

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

(a) subject to the provisions of the Intercreditor Agreement, declare all sums payable by the Institution 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 Institution 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) subject to the provisions of the Intercreditor Agreement, maintain an action against the Institution under the Loan Agreement to recover any sums payable by the Institution or to require its compliance with the terms of the Loan Agreement or any Mortgage;

(e) permit, direct or request the Trustee to liquidate all or any portion of the assets of the Debt Service Reserve Fund, if any, by selling the same at public or private sale in any commercially reasonable manner and apply the proceeds thereof and any dividends or interest received on investments thereof to the payment of the principal, Sinking Fund Installment, if any, or redemption price of and interest on the Bonds, or any other obligation or liability of the Institution or the Authority arising herefrom or from the Resolution;

(f) subject to the provisions of the Intercreditor Agreement, realize upon the pledge and assignment of the Gross Receipts and the rights to receive the same, all to the extent provided in the Loan

Agreement and to the extent permitted by applicable law and in a manner consistent with the rights of the holders of indebtedness secured by the Prior Pledges, by any one or more of the following actions: (i) during normal business hours enter the Institution and examine and make copies of the financial books and records of the Institution relating to the Gross Receipts and take possession of all checks or other orders for payment of money and moneys in the possession of the Institution representing Gross Receipts or proceeds thereof; (ii) notify any account debtors obligated on any Gross Receipts to make payment directly to the Authority or to the Trustee, as the Authority may direct, and the amount to be so paid; **provided, however,** that the Authority may, in its discretion, immediately collect the entire amount of interest, principal or Sinking Fund Installments, if any, coming due with respect to Outstanding Bonds on or prior to the next interest payment date thereof, and may continue to do so commencing on each interest payment date of Outstanding Bonds, to the extent of amounts due on such Bonds on the next interest payment date thereof, with respect to the Gross Receipts, until such amounts are fully collected; **provided, however,** that written notice of such notification shall be mailed to the Institution five (5) days prior to mailing or otherwise making such notification to account debtors, and provided further that until the Institution shall receive such notice it shall have full authority and responsibility to enforce and collect Gross Receipts owing from its account debtors; (iii) following the above-mentioned notification to account debtors, collect, or, in good faith, compromise, settle, compound or extend amounts payable as Gross Receipts which are in the form of accounts receivable or contract rights from the Institution's account debtors by suit or other means and give a full acquittance therefor and receipt therefor in the name of the Institution whether or not the full amount of any such account receivable or contract right owing shall be paid to the Authority or the Trustee, as the Authority may direct; (iv) require the Institution to deposit all moneys, checks or other orders for the payment of money which represent Gross Receipts within five (5) business days after receipt of written notice of such requirement, and thereafter as received, into a fund or account to be established for such purpose by the Authority, provided that the moneys in such fund or account shall be applied by the Authority to the payment of any of the obligations of the Institution under the Loan Agreement including the fees and expenses of the Authority, and provided further that the Authority in its sole discretion may authorize the Institution to make withdrawals from such fund or account for its corporate purposes, and provided further that the requirement to make such deposits shall cease and the balance of such fund or account shall be paid to the Institution when all Events of Default under the Loan Agreement by the Institution have been cured; (v) forbid the Institution to extend, compromise, compound or settle any accounts receivable or contract rights which represent any unpaid assigned Gross Receipts, or release, wholly or partly, any person liable for the payment thereof (except upon receipt of the full amount due) or allow any credit or discount thereon; and (vi) endorse in the name of the Institution any checks or other orders for the payment of money representing any unpaid assigned Gross Receipts or the proceeds thereof;

(g) to the extent permitted by law, (i) enter upon the Project and complete the construction of the Project in accordance with the plans and specifications with such changes therein as the Authority may deem appropriate and employ watchmen to protect the Project, all at the risk, cost and expense of the Institution, consent to such entry being by the Loan Agreement given by the Institution, (ii) at any time discontinue any work commenced in respect of the construction of the Project or change any course of action undertaken by the Institution 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 Institution in any way relating to the construction of the Project and take over and use all or any part of the labor, materials, supplies and equipment contracted for by the Institution, whether or not previously incorporated into the construction of the Project, and (iv) in connection with the construction of the Project undertaken by the Authority pursuant to the provisions of this paragraph (g), (x) engage builders, contractors, architects, engineers and others for the purpose of furnishing labor, materials and equipment in connection with the construction of the Project, (y) subject to the provisions of the Intercreditor Agreement, pay, settle or compromise all bills or claims which may become liens against the Project or against any moneys of the Authority applicable to the construction of the Project, or which have been or may be incurred in any manner in connection with completing the construction of the Project or for the discharge of liens, encumbrances or defects in the title to the Project or against any moneys of the Authority applicable to the construction of the Project, and (z) subject to the provisions of the Intercreditor Agreement, take or refrain from taking such action under the Loan Agreement as the Authority may from time to time determine. The Institution shall be liable to the Authority for all sums paid or incurred for construction of the Project whether the same shall be paid or incurred pursuant to the provisions of this paragraph (g) or otherwise, and

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all payments made or liabilities incurred by the Authority under the Loan Agreement of any kind whatsoever shall be paid by the Institution to the Authority upon demand. For the purpose of exercising the rights granted by this subparagraph during the term of the Loan Agreement, the Institution by the Loan Agreement 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 Institution;

(h) subject to the provisions of the Intercreditor Agreement, take any action necessary to enable the Authority to realize on its liens under the Loan Agreement, any Mortgage, or by law, including foreclosure of any Mortgage, and any other action or proceeding permitted by the terms of the Loan Agreement or of any Mortgage or by law; and

(i) subject to the provisions of the Intercreditor Agreement, realize upon any security interest in the fixtures, furnishings and equipment on or used in connection with the Project or any Mortgaged Property including any one or more of the following actions: (i) enter the Project or the Mortgaged Property and take possession of any such fixtures, furnishings and equipment; and (ii) sell, lease or otherwise dispose of such fixtures, furnishings and equipment either together with a sale, lease or other disposition of the Project or the Mortgaged Property pursuant to the Loan Agreement or to the Mortgages, or separately, whether or not possession has been secured; **provided, however**, that if sold, leased or otherwise disposed of separately, such sale, lease or other disposition shall be in a commercially reasonable manner and upon five (5) days' prior written notice to the Institution of the time and place of such sale.

All rights and remedies in the Loan Agreement given or granted to the Authority 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 this Section 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 34)

Tax Exemption of Bonds; Arbitrage

The Institution covenants that it shall not take any action or inaction, nor fail to take any action or permit any action to be taken, if any such action or inaction would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds under Section 103 of the Code. Without limiting the generality of the foregoing, the Institution covenants that it will comply with the instructions and requirements of the Tax Certificate as to each Series of Bonds, which is incorporated in the Loan Agreement. The Institution (or any related person, as defined in Section 147(a)(2) of the Code) shall not, pursuant to an arrangement, formal or informal, purchase Bonds in an amount related to the amount of any obligation to be acquired from the Institution by the Authority. The Institution will, on a timely basis, provide the Authority with all necessary information and, to the extent of the Institution's allocable share of any rebate or yield reduction payment (as defined in the Code) required to be paid, funds not in the Authority's possession, to enable the Authority to comply with the arbitrage and rebate requirements of the Code. The Institution shall pay for any consultant or report necessary to satisfy any such arbitrage and rebate requirement.

(Section 39)

Severability of Invalid Provisions; Provisions Contrary to Law

If any one or more of the covenants, stipulations, promises, obligations and agreements provided in the Loan Agreement, in any Mortgage, the Resolution or the Bonds on the part of the Authority or the Institution to be performed should be contrary to law, then such covenant or covenants, stipulation or stipulations, promise or promises, obligation or obligations, agreement or agreements shall be null and void, shall be deemed and construed to be severable from the remaining covenants, stipulations, promises, obligations and agreements contained in the Loan Agreement and shall in no way affect the validity of the other provisions of the Loan Agreement, of any Mortgage, the Resolution, or of the Bonds.

(Section 44)

Amendments to Loan Agreement

The Loan Agreement may be amended only in accordance with the Resolution and each amendment shall be made by an instrument in writing signed by an Authorized Officer of the Institution and the Authority, an executed counterpart of which shall be filed with the Trustee and the Credit Facility Provider.

(Section 46)

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**SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION, THE SERIES
RESOLUTIONS AND THE BOND SERIES CERTIFICATES**

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SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

The following is a summary of certain provisions of the Resolution. This summary does not purport to be complete and reference is made to the Resolution for full and complete statements of its provisions. Defined terms used in this Appendix have the meanings ascribed to them in Appendix A.

Resolution and Bonds Constitute a Contract

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 the Resolution or permitted by the Resolution.

(Section 1.03)

Refunding Bonds

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 one or more Series of Outstanding Bonds or a portion of a maturity of one or more 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 of the Series Resolution authorizing such Series of Refunding Bonds.

(Section 2.04)

Issuance of Additional Bonds; Incurrence of Alternative Parity Indebtedness; Institution Indenture; Other Obligations

Additional Bonds may be issued from time to time with the prior written consent of the Credit Facility Provider. The principal amount of such Additional Bonds shall be issued on a parity with the Outstanding Bonds notwithstanding the fact that no additional security is made subject to the lien of the Mortgage; **provided, however**, that the Trustee and the Authority are authorized to accept additional security upon the issuance of any Additional Bonds.

Alternative Parity Indebtedness may be incurred, to the extent permitted by law, only with the prior written consent of the Authority and the Credit Facility Provider, each acting in its sole discretion.

The Authority by the Resolution consents to the Institution Indenture and the debt issued thereunder and secured as provided therein.

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 or 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 provided by the Resolution or with respect to the moneys pledged under the Resolution.

(Section 2.05)

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Notice of Redemption

Unless otherwise provided in the Series Resolution authorizing the issuance of Bonds of a Series or the Bond Series Certificate relating to such Bonds, whenever Bonds are to be redeemed, the Trustee shall give notice of the redemption of the Bonds in the name of the Authority which notice shall specify: (i) the Bonds to be redeemed which shall be identified by the designation of the Bonds given in accordance with the Resolution, the maturity dates and interest rates of the Bonds to be redeemed and the date such Bonds were issued; (ii) the numbers and other distinguishing marks of the Bonds to be redeemed, including CUSIP numbers; (iii) the redemption date; (iv) the Redemption Price; (v) of each such Bond, the principal amount thereof to be redeemed; (vi) the date of publication, if any, of the notice of redemption; (vii) that such Bonds will be redeemed at the principal corporate trust office of the Trustee giving the address thereof and the name and telephone number of a representative of the Trustee to whom inquiries may be directed; and (viii) that no representation is made as to the correctness of the CUSIP number either as printed on the Bonds or as contained in such notice and that an error in a CUSIP number as printed on a Bond or as contained in such notice shall not affect the validity of the proceedings for redemption. Such notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, together with interest accrued and unpaid thereon to the redemption date, and that, from and after such date, payment having been made or provided for, interest thereon shall cease to accrue. Such notice shall be given by mailing a copy of such notice not less than thirty (30) days nor more than forty five (45) days prior to the redemption date or, in the case of Variable Interest Rate Bonds or Option Bonds, such shorter period as shall be established by the Series Resolution authorizing the issuance of such Bonds or the Bond Series Certificate relating thereto (which may, if so provided, be no notice). Any such notice shall be sent by first class mail, postage prepaid, to (i) the Credit Facility Provider and Facility Providers for any of the Bonds which are to be redeemed and (ii) the registered owners of the Bonds which are to be redeemed, at their last known addresses, if any, appearing on the registration books not more than ten (10) Business Days prior to the date such notice is given. Upon giving any such notice, the Trustee shall promptly certify to the Authority that it has mailed or caused to be mailed such notice to the Holders of the Bonds to be redeemed in the manner provided in the Resolution. Such certificate shall be conclusive evidence that such notice was given in the manner required by the Resolution. The failure of any Holder of a Bond to be redeemed to receive any such notice shall not affect the validity of the proceedings for the redemption of the Bonds. If directed in writing by an Authorized Officer of the Authority, the Trustee shall also give such notice by publication thereof once in an Authorized Newspaper, such publication to be not less than thirty (30) days nor more than sixty (60) days prior to the redemption date, or, in the case of Variable Interest Rate Bonds or Option Bonds, such shorter period as shall be established by the Series Resolution authorizing the issuance of such Bonds or the Bond Series Certificate relating thereto (which may, if so provided, be no notice); provided, however, that such publication shall not be a condition precedent to such redemption, and failure to so publish any such notice or a defect in such notice or in the publication thereof shall not affect the validity of the proceedings for the redemption of the Bonds.

In addition, unless otherwise provided for in a Series Resolution with respect to a Series of Bonds, the Trustee shall (i) if any of the Bonds to be redeemed are Book Entry Bonds, mail a copy of the notice of redemption to the Depository for such Book Entry Bonds not less than thirty five (35) days prior to the redemption, but, if notice of redemption is to be published as aforesaid, in no event later than five (5) Business Days prior to the date of publication, and (ii) mail a copy of the notice of redemption to Kenny Information Systems Notification Service and to Standard & Poor's Called Bond Record, in each case at the most recent address therefor. Such copies shall be sent by certified mail, return receipt requested, but mailing such copies shall not be a condition precedent to such redemption and failure to so mail or of a person to which such copies were mailed to receive such copy shall not affect the validity of the proceedings for the redemption of the Bonds.

(Section 4.05)

Payment of Redeemed Bonds

Notice having been given by mail in the manner provided in the Resolution (or, if no notice is required), the Bonds or portions thereof so called for redemption shall become due and payable on the redemption date so designated at the Redemption Price, plus interest accrued and unpaid to the redemption date, and, upon presentation and surrender of such Bonds, other than those Bonds which are Book Entry Bonds, at the office or offices specified in such notice, and, in the case of Bonds presented by other than the registered owner, together with a written

instrument of transfer duly executed by the registered owner or his duly authorized attorney, such Bonds, or portions thereof, shall be paid at the Redemption Price plus interest accrued and unpaid to the redemption date. Payment of the Redemption Price shall be made, upon the request of the registered owner of one million dollars (\$1,000,000) or more in principal amount of Bonds to be redeemed, by wire transfer to such registered owner at the wire transfer address in the continental United States to which such registered owner has, at the time such Bonds are surrendered to the Trustee, directed in writing, the Trustee to wire such Redemption Price. If there shall be drawn for redemption less than all of the principal amount of a registered Bond, the Authority shall execute and the Trustee shall authenticate and deliver, upon the surrender of such Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of the registered Bond so surrendered, Bonds of like Series, maturity and tenor in any of the authorized denominations. If, on the redemption date, moneys for the redemption of all Bonds or portions thereof of any like Series, maturity and tenor to be redeemed, together with interest accrued and unpaid thereon to the redemption date, shall be held by the Trustee and Paying Agents so as to be available therefor on such date and if notice of redemption shall have been mailed as aforesaid (if required), then, from and after the redemption date, interest on the Bonds or portions thereof so called for redemption shall cease to accrue and such Bonds shall no longer be considered to be Outstanding under the Resolution. If such moneys shall not be so available on the redemption date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

(Section 4.06)

Pledge of Revenues

The proceeds from the sale of the Bonds, the Revenues, the Authority's security interest in the Gross Receipts and all funds and accounts established by the Resolution and by any Series Resolution, other than the Arbitrage Rebate Fund and any fund or account established for the payment of the purchase price or Redemption Price of Option Bonds tendered for purchase, are by the Resolution pledged and assigned to the Trustee, as security for the payment of the principal, Sinking Fund Installments, if any, 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 under any Series Resolution, all in accordance with the provisions of the Resolution and thereof. The pledge of the Revenues and the security interest in Gross Receipts shall also be for the benefit of each Credit Facility Provider and/or Facility Provider, as the case may be, as security for the payment of any amounts payable to such Credit Facility Provider and/or Facility Provider, as the case may be, under the Resolution. The pledge made by the Resolution is valid, binding and perfected from the time when the pledge attaches and the proceeds from the sale of the Bonds, the Revenues, the Authority's security interest in the Gross Receipts and all funds and accounts established by the Resolution and by any Series Resolution which are pledged by the Resolution 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. 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, the Authority's security interest in the Gross Receipts and the funds and accounts established by the Resolution and which are pledged by the Resolution as provided in the Resolution, which pledge shall constitute a first lien thereon, subject only, with respect to the security interest in Gross Receipts, to Prior Pledges, the parity charge and lien of any Alternative Parity Indebtedness and the parity charge and lien of the Institution Indenture.

(Section 5.01)

Establishment of Funds and Accounts

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

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

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Accounts and sub-accounts within each of the foregoing funds may from time to time be established in accordance with a Series Resolution, a Bond Series Certificate or upon the direction of the Authority.

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 or redemption in accordance with the Series Resolution authorizing the issuance of such Bonds or the Bond Series Certificate 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 Redemption Price of Option Bonds so tendered or deemed to have been tendered, shall not be held in trust for the benefit of the Holders of Bonds other than such Option Bonds and are pledged by the Resolution for the payment of the purchase price or Redemption Price of such Option Bonds.

(Section 5.02)

Application of Bond Proceeds and Allocation Thereof

Upon the receipt of 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 in 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, the Trustee shall deposit in the Construction Fund the amount required to be deposited therein pursuant to the Series Resolution authorizing such Series or the Bond Series Certificate relating to such Series. In addition, the Authority shall pay over to the Trustee and the Trustee shall deposit in the Construction Fund any moneys paid to the Authority pursuant to the Resolution. The Trustee shall also deposit in the Construction Fund all amounts paid to it by the Institution which by the terms of the Loan Agreement are required to be deposited therein.

Except as otherwise provided in Article V of 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 of the Bonds and the Costs of the Project. For purposes of internal accounting, the Construction Fund may contain one or more subaccounts, as the Authority or the Trustee may deem proper.

Payments for Costs of Issuance shall be made by the Trustee upon receipt of, and in accordance with, a certificate or certificates signed by an Authorized Officer of the Authority stating the names of the payees, the purpose of each payment in terms sufficient for identification, and the respective amounts of each such payment. Payments for Costs of the Project shall be made by the Trustee upon receipt of, and in accordance with, a certificate or certificates signed by an Authorized Officer of the Authority, substantiated by a certificate filed with the Authority signed by an Authorized Officer of the Institution, naming the Project in connection with which payment is to be made and describing in reasonable detail the purpose for which moneys were used and the amount thereof, and further stating that such purpose constitutes a necessary part of the Costs of the Project, except that payments to pay interest on Bonds shall be made by the Trustee upon receipt of, and in accordance with, the direction of an Authorized Officer of the Authority directing the Trustee to transfer such amount from the Construction Fund to the Debt Service Fund.

Any proceeds of insurance, condemnation or eminent domain awards received by the Trustee, the Authority or the Institution with respect to any Project or any Mortgaged Property shall be deposited in the Construction Fund and, if necessary, such fund may be re-established for such purpose.

A Project shall be deemed to be complete upon (i) delivery to the Authority and the Trustee of a certificate signed by an Authorized Officer of the Institution, which certificate shall be delivered as soon as practicable after the date of completion of such Project, or (ii) upon delivery to the Institution and the Trustee of a certificate signed by an Authorized Officer of the Authority which certificate may be delivered at any time after completion of the Project. Each such certificate shall state that the Project has been completed substantially in accordance with the plans and specifications, if any, applicable to the Project and that the Project is ready for occupancy, and, in the case of a certificate of an Authorized Officer of the Institution, shall specify the date of completion.

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 in connection with such 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;

Second: To the Debt Service Reserve Fund, if any, such amount as shall be necessary to make the amount on deposit in such fund equal to the Debt Service Reserve Fund Requirement; and

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

(Section 5.04)

Deposit of Revenues and Allocation Thereof

Except as set forth in a Series Resolution, 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 thereof be deposited or paid by the Trustee as follows and 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 Variable Interest Rate Bonds on and prior to the next succeeding January 1, assuming that such Variable Interest Rate Bonds will bear interest, from and after the next date on which the rate at which such Variable Interest Rate Bonds bears interest is to be adjusted, at a rate per annum equal to the rate per annum at which such Bonds then bear interest, (b) the Sinking Fund Installments of Outstanding Option Bonds becoming due and payable on or prior to the next succeeding January 1, (c) one-half (½) of the principal and Sinking Fund Installments of Outstanding Bonds becoming due on the next succeeding July 1 and (d) 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 becoming due and payable on or prior to the next succeeding July 1, including the interest estimated by the Authority to be payable on Variable Interest Rate Bonds 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, and (b) the purchase price or Redemption Price of Outstanding Bonds

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therefore 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 Credit Facility Provider or Facility Provider for any Provider Payments which are then unpaid, in proportion to the respective Provider Payments then unpaid to each such Credit Facility Provider or Facility Provider, as the case may be;

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

Fourth: To the Debt Service Reserve Fund, if any, such amount, if any, necessary to make the amount on deposit in such fund equal to the Debt Service Reserve Fund Requirement; and

Fifth: 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 Project, including expenses incurred by the Authority to compel full and punctual performance of all the provisions of the Loan Agreement or Mortgage 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 Sixth.

After making the payments required by above, 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 Institution, in the respective amounts set forth in such direction, free and clear of any pledge, lien, encumbrance or security interest created by the Resolution. The Trustee shall notify the Authority and the Institution promptly after making the payments required above, of any balance of Revenues then remaining.

(Section 5.05)

Debt Service Fund

The Trustee shall on or before the Business Day preceding each interest payment date or each payment date with respect to principal or a Sinking Fund Installment of Variable Interest Rate Bonds pay to itself and any other Paying Agent out of the Debt Service Fund:

- (a) the interest due and payable on all Outstanding Bonds on such interest payment date or payment date;
- (b) the principal amount due and payable on all Outstanding Bonds on such interest payment date or payment date;
- (c) the Sinking Fund Installments, if any, due and payable on all Outstanding Bonds on such interest payment date or payment date; and
- (d) moneys required for the redemption of Bonds in accordance with the Resolution.

Except as set forth in any Series Resolution, the amounts paid out pursuant to this Section shall be irrevocably pledged to and applied to such payments.

In the event that on the fourth Business Day preceding any interest payment date or any payment date on which principal or a Sinking Fund Installment of Variable Interest Rate Bonds becomes due, the amount in the Debt Service Fund shall be less than the amount required for payment of the interest on and the principal and Sinking Fund Installments of the Outstanding Bonds due and payable on such interest payment date or such payment date, together with the purchase price or Redemption Price of Outstanding Bonds theretofore contracted to be purchased

or called for redemption pursuant to of the Resolution, plus accrued interest thereon to the date of purchase or redemption (the amount of any such shortfall in the Resolution after referred to as the “**Deficiency**”), the Trustee shall withdraw from the Debt Service Reserve Fund, if any, and deposit to the Debt Service Fund such amount as will increase the amount therein to an amount sufficient to make such payments. The Trustee shall immediately notify each Facility Provider, Credit Facility Provider and the Institution of a withdrawal from the Debt Service Reserve Fund, if any.

Notwithstanding the provisions in the first paragraph under this heading the Authority may, at any time subsequent to the first day of July 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 (other than moneys drawn or to be drawn under a Credit Facility), 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. Except as otherwise provided in the applicable Series Resolution or Bond Series Certificate, any Term Bond so purchased and any Term Bond purchased by the Institution 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 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 (other than moneys drawn or to be drawn under a Credit Facility) in excess of the amount required to pay the principal and Sinking Fund Installments of Outstanding Bonds payable on or prior to the next succeeding July 1, the interest on Outstanding Bonds payable on the earlier of the next succeeding January 1 or July 1, assuming that a Variable Interest Rate Bond will bear interest, from and after the next date on which the rate at which such Variable Interest Rate Bond bears interest is to be adjusted, at a rate per annum equal to the rate per annum at which such Bonds then bear interest, plus one percent (1%) per annum, and the purchase price or Redemption Price of Outstanding Bonds theretofore contracted to be purchased or called for redemption, plus accrued interest thereon to the date of purchase or redemption, shall be applied by the Trustee in accordance with the direction of an Authorized Officer of the Authority to the purchase of Outstanding Bonds of any Series at purchase prices not exceeding the Redemption Price applicable on the next interest payment date on which such Bonds are redeemable, plus accrued and unpaid interest to such date, at such times, at such purchase prices and in such manner as an Authorized Officer of the Authority shall direct. If sixty (60) days prior to the end of a Bond Year an excess (exclusive of moneys drawn under a Credit Facility) 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 Article IV of the Resolution, at the Redemption Prices specified in the applicable Series Resolution or Bond Series Certificate.

(Section 5.06)

Debt Service Reserve Fund

The Trustee shall deposit to the credit of the Debt Service Reserve Fund such proceeds of the sale of Bonds, if any, as shall be prescribed in the Series Resolution authorizing the issuance of such Series of Bonds or the Bond Series Certificate relating to such Series, and any Revenues, moneys or Permitted Investments as, by the provisions of the Loan Agreement, are delivered to the Trustee by the Institution for the purposes of the Debt Service Reserve Fund.

In lieu of or in substitution for moneys or Permitted Investments, the Authority may deposit or cause to be deposited with the Trustee a Reserve Fund Facility for the benefit of the Holders of the Bonds for all or any part of the Debt Service Reserve Requirement; provided (i), that any such surety bond or insurance policy shall be issued by an insurance company or association duly authorized to do business in the State and either (A) the claims paying ability of such insurance company or association is rated in the highest rating category accorded by a nationally recognized insurance rating agency or (B) obligations insured by a surety bond or an insurance policy issued by such company or association are rated, without regard to qualification of such rating by symbols such as “+” or “-“ or numerical notation, in the highest rating category at the time such surety bond or insurance policy is issued by Moody’s and S&P or, if Outstanding Bonds are not rated by both Moody’s and S&P, by whichever of said rating services that then rates Outstanding Bonds and (ii) that any letter of credit shall be issued by a bank, a trust

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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 provision of law, a federal branch pursuant to the International Banking Act of 1978 or any successor provision of law, or 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, the unsecured or uncollateralized long term debt obligations of which, or long term obligations secured or supported by a letter of credit issued by such person, are rated at the time such letter of credit is delivered, without regard to qualification of such rating by symbols such as “+” or “-” or numerical notation, in at least the second highest rating category by Moody’s and S&P or, if Outstanding Bonds are not rated by Moody’s and S&P, by whichever of said rating services that then rates Outstanding Bonds.

In addition to the conditions and requirements set forth above, no Reserve Fund Facility shall be deposited in full or partial satisfaction of the Debt Service Reserve Fund Requirement unless the Trustee shall have received prior to such deposit (i) the written consent of each Credit Facility Provider to the delivery of such Reserve Fund Facility, (ii) an opinion of counsel acceptable to each Credit Facility Provider to the effect that such Reserve Fund Facility has been duly authorized, executed and delivered by the Reserve Facility Provider thereof and is valid, binding and enforceable in accordance with its terms, (iii) in the event such Reserve Facility Provider is not a domestic entity, an opinion of foreign counsel in form and substance satisfactory to each Credit Facility Provider and (iv) in the event such Reserve Fund Facility is a letter of credit, an opinion of counsel acceptable to the Trustee and to each Credit Facility Provider substantially to the effect that payments under such letter of credit will not constitute avoidable preferences under Section 547 of the United States Bankruptcy Code in a case commenced by or against the Authority or the Institution thereunder or under any applicable provisions of the Debtor and Creditor Law of the State.

Notwithstanding the foregoing, if at any time after a Reserve Fund Facility has been deposited with the Trustee, the unsecured or uncollateralized long term debt of the Reserve Facility Provider or the long term debt obligations secured or supported by a surety bond, insurance policy or letter of credit of a Reserve Facility Provider is reduced below the ratings required by the second preceding paragraph, the Authority shall, unless at the time such ratings are reduced such Reserve Facility Provider is the Credit Facility Provider of all Outstanding Bonds, either (i) replace or cause to be replaced said Reserve Fund Facility with another Reserve Fund Facility which satisfies the requirements of the second preceding paragraph or (ii) deposit or cause to be deposited in the Debt Service Reserve Fund an amount of moneys or Permitted Investments which meet the requirements of subdivision 1 of this Section which is equal to the value of the Reserve Fund Facility of such Reserve Facility Provider, such deposits to be, as nearly as practicable, in ten equal semi-annual installments commencing on the earlier of the July 1 or January 1 next succeeding the reduction in said ratings.

Each Reserve Fund Facility shall be payable (upon the giving of such notice as may be required thereby) on any date on which moneys are required to be withdrawn from the Debt Service Reserve Fund and such withdrawal cannot be made without obtaining payment under such Reserve Fund Facility.

For the purposes of this Section and Section 5.12 of the Resolution, in computing the amount on deposit in the Debt Service Reserve Fund, a Reserve Fund Facility shall be valued at the amount available to be paid thereunder on the date of computation; provided that, if the unsecured or uncollateralized long term debt of such Reserve Facility Provider, or the long term debt obligations secured or supported by a surety bond, insurance policy or letter of credit of said Reserve Facility Provider has been reduced below the ratings required under of the Resolution, said Reserve Fund Facility shall be valued at the lesser of (i) the amount available to be paid thereunder on the date of calculation and (ii) the difference between the amount available to be paid thereunder on the date of issue thereof and an amount equal to a fraction of such available amount the numerator of which is the aggregate number of July 1st’s and January 1st’s which has elapsed since such ratings were reduced and the denominator of which is ten.

Moneys held for the credit of the Debt Service Reserve Fund shall be withdrawn by the Trustee and deposited to the credit of the Debt Service Fund at the times and in the amounts required to comply with the provisions of the Resolution; provided that no payment under a Reserve Fund Facility shall be sought unless and until moneys are not available in the Debt Service Reserve Fund and the amount required to be withdrawn from the Debt Service Reserve Fund pursuant to this subdivision cannot be withdrawn therefrom without obtaining payment under such Reserve Fund Facility; provided further, that, if more than one Reserve Fund Facility is held for the

credit of the Debt Service Reserve Fund at the time moneys are to be withdrawn therefrom, the Trustee shall obtain payment under each such Reserve Fund Facility, pro rata, based upon the respective amounts then available to be paid thereunder. The Trustee shall notify each Credit Facility Provider of any withdrawal of moneys from the Debt Service Reserve Fund or payment of a Reserve Fund Facility immediately upon such withdrawal or payment.

With respect to any demand for payment under any Reserve Fund Facility, the Trustee shall make such demand for payment in accordance with the terms of such Reserve Fund Facility at the earliest time provided therein to assure the availability of moneys on the interest payment date for which such moneys are required.

Moneys and investments held for the credit of the Debt Service Reserve Fund in excess of the Debt Service Reserve Fund Requirement, upon direction of an Authorized Officer of the Authority, shall be withdrawn by the Trustee and (i) deposited in the Arbitrage Rebate Fund, the Debt Service Fund or the Construction Fund, (ii) applied to the reimbursement, pro rata, of each Credit Facility Provider and/or Facility Provider for unpaid Provider Payments, (iii) paid to the Institution or (iv) applied by the Authority to pay the principal or Redemption Price of and interest on bonds of the Authority issued in connection with the Institution pursuant to resolutions other than the Resolution, in accordance with such direction; **provided, however**, with respect to amounts allocated to Bonds the interest on which is intended to be excludable from gross income for federal income tax purposes that no such amount shall be withdrawn and deposited, paid or applied unless in the opinion of Bond Counsel such deposit, payment or application will not adversely affect the exclusion of interest on any such Bonds from gross income for federal income tax purposes.

Notwithstanding the provisions of the Resolution, if, upon a Bond having been deemed to have been paid in accordance with the Resolution or redeemed prior to maturity from the proceeds of Bonds, bonds, notes or other obligations issued for such purpose, the moneys and investments held for the credit of the Debt Service Reserve Fund will exceed the Debt Service Reserve Fund Requirement, then the Trustee shall, simultaneously with such redemption or a deposit made in accordance with the Resolution, withdraw all or any portion of such excess from the Debt Service Reserve Fund upon the direction of an Authorized Officer of the Authority and either (i) apply such amount to the payment of the principal or Redemption Price of and interest on such Bond in accordance with the irrevocable instructions of the Authority or to fund any reserve for the payment of the principal and sinking fund installments of or interest on the bonds, notes or other obligations, if any, issued to provide for payment of such Bond or (ii) pay such amount to the Authority for deposit to the Construction Fund if, in the opinion of Bond Counsel, application of such moneys to the payment of Costs of the Project will not adversely affect the exclusion of interest on any Bonds from gross income for federal income tax purposes; provided that after such withdrawal the amount remaining in the Debt Service Reserve Fund shall not be less than the Debt Service Reserve Fund Requirement.

If upon a valuation, the moneys, investments and Reserve Fund Facilities held for the credit of the Debt Service Reserve Fund are less than the Debt Service Reserve Fund Requirement, the Trustee shall immediately notify the Authority and the Institution of such deficiency and the Institution shall, as soon as practicable, but in no event later than five (5) days after receipt of such notice, deliver to the Trustee moneys, Permitted Investments or Reserve Fund Facilities the value of which is sufficient to increase the amount in the Debt Service Reserve Fund to the Debt Service Reserve Fund Requirement.

(Section 5.07)

Arbitrage Rebate Fund

The Arbitrage Rebate Fund shall be maintained by the Trustee as a fund separate from any other fund established and maintained under the Resolution. Within the Arbitrage Rebate Fund, the Trustee shall maintain such accounts as shall be required by the Authority in order to comply with the terms and requirements of the Tax Certificate and Agreement. Subject to the provisions of the Resolution, all money at any time deposited in the Arbitrage Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement (as defined in the Tax Certificate and Agreement), for payment to the Treasury Department of the United States of America. Neither the Authority nor the owner of any Bonds shall have any rights in, or claim to, such money. All amounts deposited into or on deposit in the Arbitrage Rebate Fund shall be governed by of the Resolution, the tax covenants, if any, in a Series Resolution, and by the Resolution and by the Tax Certificate and Agreement (which is

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incorporated in the Resolution by reference). The Trustee shall be deemed conclusively to have complied with this Section and with such provisions of the Tax Certificate and Agreement if it follows the directions of an Authorized Officer of the Authority including supplying all necessary written information in the manner provided in the Tax Certificate and Agreement, and shall have no liability or responsibility for compliance (except as specifically set forth in the Resolution or in the Tax Certificate and Agreement) or to enforce compliance by the Authority with the terms of the Tax Certificate and Agreement.

Upon the written direction of the Authority, the Trustee shall deposit in the Arbitrage Rebate Fund funds received from the Authority, so that the balance of the amount on deposit thereto shall be equal to the Rebate Requirement. Computations of the Rebate Requirement shall be furnished by or on behalf of the Authority in accordance with the Tax Certificate and Agreement.

The Trustee shall have no obligation to rebate any amounts required to be rebated pursuant to this Section, other than from moneys held in the funds and accounts created under the Resolution or from other moneys provided to it by the Authority.

The Trustee shall invest all amounts held in the Arbitrage Rebate Fund as provided in written directions of the Authority. The Authority, in issuing such directions, shall comply with the restrictions and instructions set forth in the Tax Certificate and Agreement. Moneys may only be applied from the Arbitrage Rebate Fund as provided in of the Resolution.

The Trustee, upon the receipt of written instructions and certification of the Rebate Requirement from an Authorized Officer of the Authority, shall pay the amount of such Rebate Requirement to the Treasury Department of the United States of America, out of amounts in the Arbitrage Rebate Fund, as so directed. The Trustee, upon the receipt of written instructions from an Authorized Officer of the Authority shall withdraw any amount in the Arbitrage Rebate Fund in excess of the Rebate Requirement and deposit such amount in such other fund or account established under the Resolution as shall be provided in such written instructions.

Notwithstanding any other provisions of the Resolution, including in particular Section 12.01 of the Resolution, the obligation to remit the Rebate Requirement to the United States of America and to comply with all other requirements of the Resolution, the tax covenants, if any, in a Series Resolution, Section 7.13 of the Resolution and the Tax Certificate and Agreement shall survive the defeasance or payment in full of the Bonds.

(Section 5.09)

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 and the Debt Service Reserve 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 of redemption when 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 Institution. 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 Article IV of 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 5.10)

Computation of Assets of Certain Funds

The Trustee, as promptly as practicable (i) after the end of each calendar month, (ii) upon the request of the Authority, (iii) upon the request of the Institution, a Credit Facility Provider or a Facility Provider, but not more frequently than once a calendar month, and (iv) at such other times as may be necessary in connection with a

withdrawal and deposit made pursuant to the Resolution, shall compute the value of the assets in the Debt Service Reserve Fund, if any. Such value shall be computed in the case of the requirement under (i) above, on the last day of each such month, in the case of a request pursuant to clause (ii) or (iii) above, as of the date of such request, or, in the case of a withdrawal and deposit, at the date of such withdrawal and deposit. The Trustee shall notify the Authority and the Institution as to the results of such computation and the amount by which the value of the assets in the Debt Service Reserve Fund exceeds or is less than the Debt Service Reserve Fund Requirement.

(Section 5.12)

Application of Moneys in the Debt Service Fund for Redemption of Bonds

Moneys delivered to the Trustee, which by the provisions of the Loan Agreement or the Resolution are to be applied for redemption of Bonds, shall upon receipt by the Trustee be deposited to the credit of the Debt Service Fund for such purpose.

In the event that on any interest payment date or any payment date with respect to principal or a Sinking Fund Installment of Variable Interest Rate Bonds becomes due, the amount in the Debt Service Fund, exclusive of amounts therein deposited for the redemption of Bonds, shall be less than the amounts respectively required for payment of interest on Outstanding Bonds, for the payment of principal of such Outstanding Bonds or for the payment of Sinking Fund Installments of such Outstanding Bonds of such Series due and payable on such interest payment date or payment date, the Trustee shall, after the withdrawals made pursuant to the Resolution, apply moneys in the Debt Service Fund deposited in the Resolution for the redemption of such Bonds (other than moneys required to pay the Redemption Price of any such Outstanding Bonds theretofore called for redemption or to pay the purchase price of Outstanding Bonds theretofore contracted to be purchased, including in both cases accrued interest on such Bonds to the date of redemption or purchase) in the following order of priority: to pay interest on, principal of or Sinking Fund Installments of such Bonds, respectively.

Subject to the provisions of the Resolution and except as may be provided in a Series Resolution, moneys in the Debt Service Fund to be used for redemption of Bonds of an Applicable Series shall be applied by the Trustee to the purchase of Outstanding Bonds of such Series at purchase prices not exceeding the Redemption Price applicable on the next interest payment date on which such Bonds are redeemable, plus accrued interest to such date, at such times, at such purchase prices and in such manner as the Authority shall direct.

Notwithstanding the provisions of the Resolution, if the amount in the Debt Service Fund at any time (other than moneys required to pay the Redemption Price of any Outstanding Bonds theretofore called for redemption or to pay the purchase price of such Outstanding Bonds theretofore contracted to be purchased, including in both cases accrued interest on such Bonds to the date of redemption or purchase) is sufficient to make provision pursuant to the Resolution for the payment of such Outstanding Bonds at the maturity or redemption date thereof, the Authority may request the Trustee to take such action consistent with the Resolution as is required thereby to deem certain of such Bonds to have been paid within the meaning of the Resolution. The Trustee, upon receipt of such request, the irrevocable instructions required by Section 12.01 of the Resolution and irrevocable instructions of the Authority to purchase direct obligations of the United States of America sufficient to make any deposit required thereby, shall comply with such request.

(Section 5.13)

Security for Deposits

Except as set forth in a Series Resolution, all moneys held under the Resolution by the Trustee shall be continuously and fully secured, for the benefit of the Authority and the Holders of the Bonds, by direct obligations of the United States of America or obligations the principal of and interest on which are guaranteed by the United States of America of a market value equal at all times to the amount of the deposit so held by the Trustee; **provided, however,** (a) that if the securing of such moneys is not permitted by applicable law, then in such other manner as may then be required or permitted by applicable State or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds, and (b) that it shall not be necessary for the Trustee or

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any Paying Agent to give security for the deposit of any moneys with them pursuant to the Resolution and held in trust for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price of or interest on any Bonds, or for the Trustee to give security for any moneys which shall be represented by obligations purchased or other investments made under the provisions of the Resolution as an investment of such moneys.

(Section 6.01)

Investment of Funds and Accounts Held by the Trustee

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 Permitted Investments; provided 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.

In lieu of the investments of moneys in obligations authorized in the paragraph above, the Trustee shall, to the extent permitted by law, upon direction of the Authority given or confirmed in writing, signed by an Authorized Officer of the Authority, invest moneys in the Construction Fund, the Debt Service Reserve Fund, if any, in (i) interest-bearing time deposits, certificates of deposit or other similar investment arrangements including, but not limited to, written Repurchase Agreements relating to Government Obligations, with banks, trust companies, savings banks, savings and loan associations, or securities dealers approved by the Authority the liquidation of which is subject to the Securities Investors Protection Corporation or other similar corporation; or (ii) Investment Agreements; provided that (w) each such investment shall permit the moneys so deposited or invested to be available for use at the times at, and in the amounts in, which the Authority reasonably believes such moneys will be required for the purposes of the Resolution, (x) all moneys in each such interest-bearing time deposit, certificate of deposit or other similar investment arrangement shall be continuously and fully secured by ownership of or a security interest in Government Obligations of a market value determined by the Trustee or its agent on a daily valuation equal to the amount deposited or invested including interest accrued thereon, (y) the obligations securing such interest-bearing time deposit or certificate of deposit or which are the subject of such other similar investment arrangement 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 Government Obligations securing such time deposit or certificate of deposit or which are the subject of such other similar investment arrangement shall be free and clear of claims of any other person.

In computing the amount in any fund or account held by the Trustee under the provisions of the Resolution, obligations purchased as an investment of moneys therein or held therein shall be valued at par or the market value thereof, plus accrued interest, whichever is lower, except that investments held in the Debt Service Reserve Fund shall be valued at the market value thereof, plus accrued interest.

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 of the Resolution. 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 Institution in writing, on or before the fifteenth (15th) day of each calendar month, of the amounts required to be on deposit in each fund and account under the Resolution and of the details of all investments held for the credit of each fund and account in its custody under the provisions of the Resolution as of the end of the preceding month and as to whether such investments comply with the provisions of the Resolution. The details of such investments shall include the par value, if any, the cost and the current market value of such investments as of the end of the preceding month. The Trustee shall also describe all withdrawals, substitutions and other transactions occurring in each such fund and account in the previous month.

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

(Section 6.02)

Liability for Investments

Neither the Authority nor the Trustee shall have any liability arising out of or in connection with the making of any investment authorized by the provisions of the Resolution, in the manner provided in the Resolution, for any depreciation in value of any such investment, or for any loss, direct or indirect, resulting from any such investment.

(Section 6.03)

Powers as to Bonds and Pledge

The Authority is duly authorized under the Act and all applicable laws to create and issue the Bonds, to adopt the Resolution, each Series Resolution and each Supplemental Resolution and to pledge and assign the proceeds from the sale of the Bonds, the Revenues, the Authority’s security interest in Gross Receipts and all funds and accounts established by the Resolution and by any Series Resolution which are pledged by the Resolution, in the manner and to the extent provided in the Resolution and therein. The Authority further covenants that the proceeds from the sale of the Bonds, the Revenues, the Authority’s security interest in the Gross Receipts and all funds and accounts established by the Resolution and by any Series Resolution which are pledged by the Resolution are and shall be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto, prior to, or of equal rank with, the pledge created by the Resolution, subject only, with respect to the security interest in Gross Receipts, to the Prior Pledges, the parity charge and lien of any Alternative Parity Indebtedness and the parity charge and lien created by the Institution pursuant to the Institution Indenture, which may be of equal priority and rank with the charge and lien created by the Resolution. The Authority further covenants that all corporate action on the part of the Authority to that end has been duly and validly taken. The Authority further covenants that the Bonds and the provisions of the Resolution and of each Series Resolution are and shall be the valid and legally enforceable obligations of the Authority in accordance with their terms and the terms of the Resolution and of each Series Resolution. The Authority further covenants that it shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the proceeds from the sale of the Bonds, the Revenues, the Authority’s security interest in Gross Receipts and all funds and accounts established by the Resolution and by any Series Resolution which are pledged by the Resolution and all of the rights of the Holders of Bonds under the Resolution and each Series Resolution against all claims and demands of all persons whomsoever.

(Section 7.03)

Further Assurance

The Authority, at any and all times, shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, and the pledges and assignments by the Resolution made or intended so to be, or which the Authority may thereafter become bound to pledge or assign.

(Section 7.04)

Creation of Liens

Except as permitted by the Resolution, the Authority shall not create or cause to be created any lien or charge prior or equal to that of the Bonds on the proceeds from the sale of the Bonds, the Revenues, the Authority’s security interest in the Gross Receipts granted to the Authority under the Loan Agreement, or the funds and accounts

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established by the Resolution or by any Series Resolution which are pledged by the Resolution; **provided, however**, that nothing contained in the Resolution shall prevent the Authority from (i) issuing bonds, notes or other obligations under another and separate resolution so long as the charge or lien created thereby is not, except as provided in the Resolution, prior or equal to the charge or lien created by the Resolution and (ii) suffering, with respect to the security interest in Gross Receipts, the charge and lien of the Prior Pledges, the parity charge and lien of any Alternative Parity Indebtedness and the parity charge and lien created by the Institution pursuant to the Institution Indenture.

(Section 7.06)

Enforcement of Duties and Obligations of the Institution

The Authority shall take all legally available action to cause the Institution to perform fully all duties and acts and comply fully with the covenants of the Institution required by the Loan Agreement in the manner and at the times provided in the Loan Agreement; **provided, however**, notwithstanding the provisions of this heading and subject to the provisions of the Resolution, the Authority may, subject to the provisions of the Resolution, modify, amend, delay or defer enforcement of one or more provisions of the Loan Agreement (other than provisions requiring the payment of moneys or the delivery of Securities to the Trustee for deposit to any fund or account established under the Resolution) if the Authority determines such delay or deferment will not materially adversely affect the interests of the Holders of the Bonds without regard to the existence of a Credit Facility with respect to the Bonds.

(Section 7.07)

Amendment of Loan Agreement

The Loan Agreement may not be amended, changed, modified, altered or terminated nor may any provision thereof be waived if any such amendment, change, modification, alteration, termination or waiver would adversely affect the interest of the Holders of Outstanding Bonds of the applicable Series in any material respect unless consented to in writing by the Holders of at least a majority in aggregate principal amount of the Bonds of such Series so affected then Outstanding; **provided, however**, that no such amendment, change, modification, alteration, or termination will reduce the percentage of the aggregate principal amount of Outstanding Bonds of a Series 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 Institution under the Loan Agreement that is to be deposited with the Trustee or extend the time of payment thereof. Any consent given pursuant to this paragraph by the Holders of Bonds shall, except as otherwise provided in this Section, be given in the same manner required by the Resolution.

The Loan Agreement may be amended, changed, modified or altered (i) to make changes necessary or appropriate in connection with the acquisition, construction, reconstruction, rehabilitation and improvement, or otherwise providing, furnishing and equipping of any facilities constituting a part of any Project or to otherwise amend the Project or (ii) with the consent of the Trustee, to cure any ambiguity, or to correct or supplement any provisions contained in such Loan Agreement which may be defective or inconsistent with any other provisions contained in the Resolution or in the Loan Agreement or (iii) with the consent of the applicable Credit Facility Provider, to cure any ambiguity, or to correct or supplement any provision contained in the Loan Agreement which may be defective. Except as otherwise provided in the Resolution, the Loan Agreement may not 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 heading, the purchasers of Bonds of a Series, whether purchasing as underwriters, Remarketing Agent or otherwise for resale, may upon such purchase consent to an amendment, change, modification, alteration, termination or waiver permitted by the Resolution, except that no proof of ownership shall be required, and with the same effect as a consent given by the Holder of such Bonds; **provided, however**, that, if such consent is given by a purchaser who is purchasing as an underwriter or Remarketing Agent or for resale, the nature of the amendment, change, modification, alteration, termination or waiver and the provisions for the

purchaser consenting thereto shall be described in the official statement, prospectus, offering memorandum or other offering document prepared in connection with the initial offering, reoffering or resale of the Bonds of such Series.

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

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

(Section 7.11)

Notice as to Event of Default under Loan Agreement

The Authority shall notify each Credit Facility Provider, each Facility Provider and the Trustee in writing that an “Event of Default” under the Loan Agreement, as such term is defined in the Loan Agreement, has occurred and is continuing, which notice shall be given as soon as practicable after the Authority has obtained actual knowledge thereof.

(Section 7.12)

Tax Exemption

The Authority covenants that, with respect to Bonds the interest on which is intended to be excludable from gross income for federal income tax purposes, it shall not take any action or inaction, or fail to take any action, or permit any action to be taken on its behalf or cause or permit any circumstance within its control to arise or continue, if any such action or inaction would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds under Section 103 of the Code. Without limiting the generality of the foregoing, the Authority covenants that it will comply with the instructions and requirements of the Tax Certificate, which is incorporated in the Resolution as if fully set forth in the Resolution. This covenant shall survive payment in full or defeasance of the Bonds.

In the event that at any time the Authority is of the opinion that for purposes of the Resolution it is necessary or helpful to restrict or limit the yield on the investment of any moneys held by the Trustee under the Resolution, the Authority shall so instruct the Trustee under the Resolution in writing, and the Trustee shall take such action as may be necessary in accordance with such instructions.

Notwithstanding any provisions of the Resolution, if the Authority shall provide to the Trustee an opinion of Bond Counsel that any specified action required under the Resolution is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Bonds, the Trustee may conclusively rely on such opinion in complying with the requirements of the Resolution and of the Tax Certificate, and the covenants under the Resolution shall be deemed to be modified to that extent.

(Section 7.13)

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General

The Authority shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Authority under the provisions of the Resolution in accordance with the terms of such provisions.

Upon the date of issuance of Bonds, all conditions, acts and things required by the statutes of the State and by the Resolution to exist, to have happened and to have been performed precedent to and in the issuance of such Bonds, shall exist, have happened and have been performed and the issuance of such Bonds, together with all other indebtedness of the Authority, shall be within every debt and other limit prescribed by the laws of the State.

(Section 7.14)

Right of Authority to Release Mortgage and Gross Receipts Pledge

Notwithstanding anything in the Resolution or the Loan Agreement to the contrary, the Authority by the Resolution reserves the right to enter into any and all amendments with respect to the Mortgage, including granting the Institution a complete release therefrom, **provided, however**, prior to any such amendment or release the Institution shall have caused there to be delivered to the Authority and the Trustee the following:

- (a) A certificate of an Authorized Officer of the Institution to the effect that immediately subsequent to such amendment or release, the Institution shall remain in compliance with all the terms and conditions of the Loan Agreement and no event of default shall exist thereunder;
- (b) An opinion of Bond Counsel to the effect (A) that such amendment or release is duly authorized by the Resolution and the Laws of the State and no further action or approval is necessary by the Authority to permit the Authority from executing and delivering such amendment or release; (B) that such amendment or release shall constitute the valid and binding undertaking of the Authority and is not in conflict with any law, regulation or ruling of which counsel has knowledge which is binding upon the Authority;
- (c) A certificate from each Credit Facility Provider consenting to such amendment or release;
- (d) An amendment to the Loan Agreement executed by the Institution pursuant to which it agrees that it shall not encumber or permit any liens on the real property or Project that was subject to the Mortgage, except Permitted Encumbrances; and
- (e) In the event the Authority is receiving substitute collateral for any such release or amendment, an opinion of Bond Counsel to the effect that the receipt of such collateral will not adversely affect the interest on the Bonds being excluded from gross income for federal income tax purposes, nor adversely affect the treatment of interest on the Bonds for State income tax purposes.

If the Authority grants the Institution a complete release from the Mortgage pursuant to the Resolution, then upon such release all references in the Resolution to the Mortgage shall have no further force and effect.

Notwithstanding anything in the Resolution or the Loan Agreement to the contrary, the Authority is by the Resolution authorized to release the security interest in Gross Receipts granted to it by the Institution under the Loan Agreement by executing the necessary releases and termination statements in connection therewith; **provided, however**, prior to any such release, the following conditions have been met:

- (a) Each Credit Facility Provider shall have delivered to the Authority its written consent therefor;

(b) The Institution has delivered to the Authority a certificate to the effect that the Institution is in compliance with all the terms and conditions of the Loan Agreement and no event of default which is continuing and is not cured has occurred thereunder; and

(c) The Institution has executed an amendment to the Loan Agreement pursuant to which the Institution covenants that it shall not encumber or permit any liens on the Gross Receipts in any manner other than for Permitted Encumbrances.

(Section 7.15)

Modification and Amendment Without Consent

Notwithstanding any other provisions of Article IX or Article X of the Resolution, the Authority, with the written consent of each Credit Facility Provider with respect to paragraphs (a),(e),(f),(g) and (h), 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 Resolutions 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 any pledge 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;

(g) 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 therewith 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 Bondholders in any material respect;

(h) To provide for the issuance of Alternative Parity Indebtedness pursuant to the provisions of the Resolution and to prescribe the terms and conditions pursuant to which such Alternative Parity

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Indebtedness may be issued, paid or redeemed, provided that such modification shall not adversely affect the interests of the Bondholders in any material respect;

(i) To provide for such changes as are deemed necessary by the Authority upon the delivery to the Trustee of a substitute Credit Facility or substitute Facility; or

(j) To provide for such changes as are deemed necessary or desirable by the Authority to take effect on a date on which 100% of the Bonds are subject to mandatory tender.

(Section 9.01)

Supplemental Resolutions Effective With Consent of Credit Facility Providers and 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 the Credit Facility Providers and the Bondholders in accordance with and subject to the provisions of Article X 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. The Trustee shall transmit a copy of such Supplemental Resolution to the Institution upon its becoming effective.

(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 hereinafter provided in the Resolution, (i) of the Credit Facility Providers which have issued Credit Facilities for at least two-thirds (2/3) in principal amount of the Outstanding Bonds at the time such consent is given and the Holders of at least two-thirds (2/3) 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 the Credit Facility Provider of each Series so affected and Outstanding at the time of such amount and the Holders of at least two-thirds (2/3) 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 Credit Facility Provider of the Bonds of the Series so affected and the Holders of at least two-thirds (2/3) 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 Credit Facility Provider and 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 the Resolution. 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 Credit Facility Provider and 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 the Resolution, a Series shall be deemed to be affected by a modification or amendment of the Resolution 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 the Bonds of any particular Series or maturity would be so affected by any such modification or amendment of the Resolution. The Trustee shall transmit a copy of such Supplemental Resolution to the Institution upon its becoming effective.

(Section 10.01)

Consent of Credit Facility Providers and 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 this heading. 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 Credit Facility Providers and the Bondholders for their consent thereto in form satisfactory to the Trustee, shall promptly after adoption be mailed by the Authority to the Credit Facility Providers and the Bondholders (but failure to mail such copy and request to any particular Bondholder shall not affect the validity of the Supplemental Resolution when consented to as in the Resolution provided). Such Supplemental Resolution shall not be effective unless and until (i) there shall have been filed with the Trustee (a) the written consents of the Credit Facility Providers and the Holders of the percentages of Outstanding Bonds specified in the Resolution 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 by the Resolution, and is valid and binding upon the Authority and enforceable in accordance with its terms, and (ii) if the Credit Facility Providers are not then the Holders of all Outstanding Bonds, a notice shall have been mailed as hereinafter in this Section provided. Each such consent shall be effective only if accompanied by proof of the holding 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 proof that the consents have been given by the Credit Facility Providers and the Holders of the Bonds described in the certificate or certificates of the Trustee. Any consent given by a Credit Facility Provider or a Bondholder shall be binding upon the Credit Facility Provider or Bondholder giving such consent and, anything in the Resolution to the contrary notwithstanding, upon any subsequent Credit Facility Provider or Holder of such Bond and of any Bonds issued in exchange therefor (whether or not such subsequent Credit Facility Provider or Holder thereof has notice thereof), unless such consent is revoked in writing by the Credit Facility Provider or the Bondholder giving such consent or a subsequent Credit Facility Provider or Holder thereof by filing such revocation with the Trustee, prior to the time when the written statement of the Trustee hereinafter in this Section provided for is filed. 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 Credit Facility Providers and 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 Institution a written statement that such Credit Facility Providers and 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 Credit Facility Providers and the Holders of the required percentages of Bonds and will be effective as provided in this Section, shall be given by the Trustee at the direction of the Authority to the Credit Facility Providers and the Bondholders by mailing or causing the mailing of such notice to the Credit Facility Providers and the Bondholders (but failure to mail such notice shall not prevent such Supplemental Resolution from becoming effective and binding as in this Section provided) and, at the discretion of the Authority, by publishing the same at least once not more than ninety (90) days after the Credit Facility Providers and 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 Section provided). The Authority shall file with the Trustee proof of the mailing of such notice, and, if the same shall have been published, of the publication thereof. A transcript, consisting of the papers required or permitted by the Resolution to be filed with the Trustee, shall be proof of the matters therein stated. Such Supplemental Resolution making such amendment or modification shall be deemed conclusively binding upon the Authority, the Trustee, each Paying Agent, each Credit Facility Provider 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, if such notice is published, 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.

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The Trustee, in determining whether any amendments or supplements to the Resolution or any Series Resolution may be made without the consent of the Holders of Bonds, or, in determining whether any other discretionary action should be taken, shall consider the effect of such action on the rights of such Holders as if the policy of municipal bond insurance were not in effect. For the purposes of Article X of the Resolution, 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 the Resolution in the manner provided in the Resolution, except that no proof of ownership shall be required, and with the same effect as a consent given by the Holder of such Bonds; **provided, however**, that, if such consent is given by a purchaser who is purchasing as an underwriter or 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.

(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 Credit Facility Providers and the Holders of the Bonds 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 of the Authority and the consent of the Credit Facility Providers and the Holders of all of the Bonds then Outstanding, such consent to be given as provided in the Resolution. except that no notice to the Bondholders either by mailing or publication shall be required.

(Section 10.03)

Consent of Liquidity Facility Provider and Reserve Facility Provider

No modification or amendment of the Resolution which adversely materially and affects a Liquidity Facility Provider or a Reserve Facility Provider shall be made without the written consent thereto of the Liquidity Facility Provider or Reserve Facility Provider affected thereby. Notice of the adoption of any such Series Resolution or Supplemental Resolution and of the effectiveness of the modification or amendment made thereby shall be given to each Liquidity Facility Provider and each Reserve Facility Provider by mail at the times and in the manner provided in the Resolution with respect to notices thereof required to be given to a Credit Facility Provider. Notice thereof shall also be given to Moody's and S&P as soon as practical after adoption of such Supplemental Resolution and of the effectiveness thereof.

(Section 10.04)

Events of Default

An event of default shall exist under the Resolution and under each Series Resolution (herein called "event of default") if:

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

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

(c) With respect to the Bonds of any Series other than a Series of Bonds designated as federally taxable, the Authority shall default in the due and punctual performance of any tax covenants contained in the Resolution or in the Series Resolution authorizing the issuance thereof and, as a result thereof, the interest on the Bonds of such Series shall no longer be excludable from gross income under Section 103 of the Code; or

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

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

(f) An “event of default” provided for under the Series Resolution shall have occurred and be continuing.

(Section 11.02.)

Acceleration of Maturity

Subject to the provisions of the Intercreditor Agreement, upon the happening and continuance of any event of default specified in the Resolution, other than an event of default specified in the Resolution, then and in every such case the Trustee may, and, upon the written request of (i) the Credit Facility Providers (if a Credit Facility Default shall not have occurred and be continuing) or the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds, with the prior written consent of the Credit Facility Providers (if a Credit Facility Default shall not have occurred and be continuing) or (ii) if one or more Credit Facility Providers have deposited with the Trustee a sum sufficient to pay the principal of and interest on the Outstanding Bonds due upon the acceleration thereof, upon the request of the Credit Facility Provider or Credit Facility Providers making such deposit, shall, by a notice in writing to the Authority, declare the principal of and interest on all of the Outstanding Bonds to be due and payable immediately. At the expiration of thirty (30) days after 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 any Series Resolution or in the Bonds to the contrary notwithstanding. In the event that a Credit Facility Provider shall make any payments of principal of or interest on any Bonds pursuant to a Credit Facility and the Bonds are accelerated, such Credit Facility Provider may at any time and at its sole option, pay to the Bondholders all or such portion of amounts due under such Bonds prior to the stated maturity dates thereof. 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 Credit Facility Providers (if a Credit Facility Default shall not have occurred and be continuing) or the Holders of not less than twenty-five per centum (25%) in principal amount of the Bonds not then due by their terms and then Outstanding, with the written consent of the Credit Facility Providers (if a Credit Facility Default shall not have occurred and be continuing), and 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 heading) 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 or in any 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

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declaration under this heading) 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

Subject to the provisions of the Intercreditor Agreement, upon the happening and continuance of any event of default specified in the Resolution, then and in every such case, the Trustee may proceed, and upon the written request of the applicable Credit Facility Provider (if a Credit Facility Default shall not have occurred and be continuing) or of the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds with the consent of such Credit Facility Provider (if a Credit Facility Default shall not have occurred and be continuing) or, in the case of a happening and continuance of an event of default specified in paragraph (c) of the Resolution, upon the written request of the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of the Series affected thereby with the consent of the Credit Facility Provider of such Series of Bonds (if a Credit Facility Default shall not have occurred and be continuing), shall proceed (subject to the provisions of the Resolution), to protect and enforce its rights and the rights of the Bondholders or of such Credit Facility Provider under the Resolution or under any Series Resolution or under the laws of the State 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 under any Series Resolution or in aid or execution of any power in the Resolution or 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, including the foreclosure of any Mortgage re-assigned to the Trustee in connection with a Credit Facility Default.

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, 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 Article XI the Resolution or otherwise, shall be applied (after payment of all amounts owing to the Trustee under the Resolution) as follows:

(a) Unless the principal of all the Bonds shall have 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 such 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; and

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 such 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 shall have 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 the provisions of this Section shall constitute proper application by the Trustee, and the Trustee shall incur no liability whatsoever to the Authority, to any Holder of Bonds 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 or the Credit Facility Provider unless such Bond shall be presented to the Trustee for appropriate endorsement. Any payment to be made by the Trustee pursuant to this Section on account of the principal or Sinking Fund Installment of or an installment of interest on Bonds theretofore paid by a Credit Facility Provider shall be made to such Credit Facility Provider.

(Section 11.05)

Bondholders' Direction of Proceedings

The Credit Facility Providers (if a Credit Facility Default shall not have occurred and be continuing), or the Holders of a majority in principal amount of the Outstanding Bonds with the consent of the Credit Facility Providers (if a Credit Facility Default shall not have occurred and be continuing) or, in the case of an event of default specified in the Resolution, the Holders of a majority in principal amount of the Outstanding Bonds of the Series affected thereby with the consent of the Credit Facility Providers (if a Credit Facility Default shall not have occurred and be continuing) of such Series of Bonds, 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 and the provisions of the Resolution and of each Series Resolution, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondholders not parties to such direction.

(Section 11.07)

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Limitation of Rights of Individual Bondholders

Neither a Holder of any of the Bonds nor the Credit Facility Provider of a Credit Facility for 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 or Credit Facility Provider (if a Credit Facility Default shall not have occurred and be continuing) 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 with the consent of the Credit Facility Provider (if a Credit Facility Default shall not have occurred and be continuing) or, in the case of an event of default specified in the Resolution, the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of the Series affected thereby with the consent of the Credit Facility Provider (if a Credit Facility Default shall not have occurred and be continuing) of such Series of Bonds, 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 by the Resolution 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 Credit Facility Providers or 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 in the Resolution provided, 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)

Termination of Credit Facility Provider's Rights

Whenever by the terms of Article XI of the Resolution the consent or approval of a Credit Facility Provider is required or a Credit Facility Provider, alone or together with any other Credit Facility Provider or the Holders of Bonds, is authorized to request or direct the Trustee to take any action, such consent or approval shall not be required and the Trustee shall not be obligated to comply with such request or direction if a Credit Facility Default then exists with respect to such Credit Facility. Nothing contained in the Resolution shall limit or impair the rights of the Holders of Bonds or other Credit Facility Providers to give any consent or approval or to request or direct the Trustee to take any action and, if a Credit Facility Default then exists with respect to such Credit Facility, such consent or approval shall be effective without the consent or approval of such Credit Facility Provider otherwise required by Article XI of the Resolution and the Trustee shall comply with such request or direction notwithstanding that such request or direction is required to be given or made together with such Credit Facility Provider.

If such Credit Facility Default shall be cured the Trustee will follow the instructions of the Credit Facility Provider in accordance with the Resolution. Anything in the Resolution or the Series Resolution to the contrary notwithstanding, any rights of subrogation of a Credit Facility Provider gained as a result of any payments made pursuant to the applicable Credit Facility shall continue to exist and be unaffected by any limitations on such rights in this heading or elsewhere in the Resolution or in the Series Resolution imposed as a result of a Credit Facility Default.

(Section 11.13)

Defeasance

If the Authority shall pay or cause to be paid to the Holders of 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 Gross Receipts 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 other 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 Credit Facility Provider and Facility Provider, the Provider Payments which have not been repaid, pro rata, based upon the respective Provider Payments then unpaid to each such Credit Facility Provider or Facility 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 Institution. Such 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 first paragraph above. 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 first paragraph above if (a) in case any of said 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 Article IV 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, as verified by the report of a firm of independent certified public accountants, 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 said 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 of each Credit Facility Provider and Facility Provider which has given written notice to the Trustee and the Authority that amounts advanced under a Credit Facility or Facility issued by it or the interest thereon have not been repaid to such Credit Facility Provider or Facility Provider, and (d) in the event said 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 the 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 said 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 said Bonds. The Authority shall give written notice to the Trustee of its selection of the maturity payment of which shall be made in accordance with this Section. 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 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 said Bonds; provided 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 said Bonds on and prior to such redemption date or maturity date of the Resolution, as the case may be. Any income or interest earned by, or increment to, the investment of any such moneys so deposited, shall, to the extent certified by the

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Trustee to be in excess of the amounts required hereinabove 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 Credit Facility Provider and Facility Provider who has certified to the Trustee and the Authority that moneys advanced under a Credit Facility or Facility issued by it which constitutes any part of the Debt Service Reserve Fund, together with any interest thereon, have not been repaid, pro rata, based upon the respective amounts certified by each such Credit Facility Provider or Facility 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 Institution, 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.

Anything in the Resolution to the contrary notwithstanding, any moneys held by the Trustee or a Paying Agent 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 or Paying Agent at such date, or for one (1) year after the date of deposit of such moneys if deposited with the Trustee or Paying Agent after said date when all of the Bonds of such Series become due and payable for one (1) year after the date when the principal or Redemption Price of or interest on the Bonds for which said moneys is held was due and payable, shall, at the written request of the Authority, be repaid by the Trustee or Paying Agent to the Authority as its absolute property and free from trust, and the Trustee or Paying Agent shall thereupon be released and discharged with respect thereto and the Holders of Bonds shall look only to the Authority for the payment of such Bonds; **provided, however**, that, before being required to make any such payment to the Authority, the Trustee or Paying Agent 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.

Prior to any defeasance becoming effective under the Resolution, each Credit Facility Provider shall have given its consent thereto, if its Credit Facility is to be drawn upon to accomplish said defeasance, and received (a) the final official statement delivered in connection with the refunding of Bonds, if any, (b) a copy of the accountants' verification report, (c) a copy of the escrow deposit agreement or letter of instructions in form and substance acceptable to such Credit Facility Provider, and (d) a copy of an opinion of Bond Counsel, dated the date of defeasance and addressed to such Credit Facility Provider, to the effect that such Bonds have been paid within the meaning and with the effect expressed in the Resolution and the Series Resolution, and that the covenants, agreements and other obligations of the Authority to the Holders of such Bonds have been discharged and satisfied.

(Section 12.01)

No Recourse under Resolution or on the Bonds

All covenants, stipulations, promises, agreements and obligations of the Authority contained in the Resolution shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Authority and not of any member, officer or employee of the Authority in his individual capacity, and no recourse shall be had for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price of or interest on the Bonds or for any claims based thereon, on the Resolution or on the Series Resolution against any member, officer or employee of the Authority or any person executing the Bonds, all such liability, if any, being expressly waived and released by every Holder of Bonds by the acceptance of the Bonds.

(Section 14.04)

SUMMARY OF CERTAIN PROVISIONS OF THE SERIES 2009 RESOLUTION AND SERIES 2009 BOND SERIES CERTIFICATE

The following is a summary of certain provisions of the Series 2009 Resolution and the 2009 Bond Series Certificate pertaining to the Series 2009 Bonds. This summary does not purport to be complete and reference is made to the Series 2009 Resolution and the 2009 Bond Series Certificate for full and complete statements of their provisions. The headings below are not part of the Series 2009 Bond Series Certificate but have been added for each of reference only. Defined terms used in this Appendix have the meanings ascribed to them in Appendix A.

Additional Condition Relating to Use of Available Moneys

If the Available Moneys proposed to be made available to pay, in accordance with the provisions of the 2009 Bond Series Certificate, the optional purchase price, Purchase Price of or debt service on the Series 2009 Bonds to the Holders, are Available Moneys within subsection (i) or (v) of the definition of Available Moneys, the opinion of counsel described in such definition shall be provided to each Rating Service then providing a rating on the Series 2009 Bonds at least seven (7) calendar days prior to the use of such moneys, for review, comment and/or consultation by each applicable Rating Service. In the event that a Rating Service notifies the Authority that if use of such moneys were to proceed in reliance on subsection (i) or (v) of the definition of Available Moneys and the related opinion, the rating on the Series 2009 Bonds would be reduced, withdrawn or suspended, such proposed moneys will not be used.

(Section 2.11 of the 2009 Bond Series Certificate)

No Recourse on Series 2009 Bonds

No recourse shall be had for the payment of the principal, Sinking Fund Installments or Redemption Price of or interest on the Series 2009 Bonds or for any claim based thereon or on the Series 2009 Resolution against any member, officer or employee of the Authority or any person executing the Series 2009 Bonds and neither the members of the Authority nor any other person executing the Series 2009 Bonds of the Authority shall be subject to any personal liability or accountability by reason of the issuance thereof, all such liability being expressly waived and released by every Holder of Series 2009 Bonds by the acceptance thereof.

(Section 3.02 of the Series 2009 Resolution)

Remarketing of Series 2009 Bonds

(a) *Remarketing Procedures*

Except as otherwise provided in this Section, upon receipt of any notice given pursuant to the Bond Series Certificate that any Series 2009 Bonds will be or are required to be tendered for purchase in accordance with the Bond Series Certificate, the Remarketing Agent for a Series 2009 Bond shall use its best efforts to remarket such Tendered Bond on its Tender Date at a price equal to the Purchase Price or, if such Series 2009 Bonds are being remarketed upon their conversion from the Term Mode or the Fixed Mode, such Series 2009 Bonds will be remarketed at a price equal to par.

By 9:30 A.M., New York City time, on each Tender Date, the Remarketing Agent shall give notice to the Trustee, the Tender Agent and the Institution by telephone of the principal amount of Tendered Bonds for which it has arranged a remarketing. By 10:00 A.M., New York City time, on each Tender Date, the Remarketing Agent shall transfer to the Tender Agent the proceeds of the remarketing of the Tendered Bonds.

By 9:30 A.M., New York City time, on each Tender Date, the Tender Agent shall notify the Authority, the Institution and the Credit Facility Issuer of the amount required to be paid for the Purchase Price of the Tendered Bonds; provided, however, that failure to give such notice shall not affect the right of the Tender Agent to obtain moneys under the Credit Facility.

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By 10:30 A.M., New York City time, on each Tender Date, the Tender Agent shall take such actions as may be required under a Credit Facility to obtain moneys thereunder in an amount equal to the full Purchase Price of all Tendered Bonds to which such Credit Facility relates, less the proceeds of the remarketing of such Tendered Bonds theretofore transferred to the Tender Agent by the Remarketing Agent. The Tender Agent shall notify the Authority of the amounts so obtained.

Notwithstanding any other provision of the Bond Series Certificate to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of The Depository Trust Company, all payments with respect to principal of, interest, Purchase Price and premium, if any, and all deliveries to be made and all notices to be delivered with respect to such Bonds shall be made and given, respectively, pursuant to DTC's rules and procedures.

(b) Deposit of Remarketing Proceeds

All moneys received by the Tender Agent as proceeds of the sale of the Tendered Bonds as described in (a) hereinabove that have been transferred to the Tender Agent pursuant to such Section shall be deposited and held by the Tender Agent in the 2009 Remarketing Proceeds Account of the Debt Service Fund. Additional amounts, if any, received by the Tender Agent from the Authority, the Institution or a Credit Facility Issuer shall be deposited and held by the Tender Agent as provided in Section 5.02 of the Bond Certificate.

(c) Limitations on Remarketings

Remarketing of the Series 2009 Bonds is subject to the following limitations:

(i) The Remarketing Agent shall not, during any period during which a Credit Facility is in effect, remarket Tendered Bonds if:

(A) upon such remarketing the amount available to be drawn under the Credit Facility, together with amounts on deposit in the 2009 Credit Facility Account of the Debt Service Fund, for the payment of the principal or Purchase Price of the Outstanding Series 2009 Bonds to which such Credit Facility relates is less than the principal of such Series 2009 Bonds that are not Bank Bonds, or an amount available to be drawn under such Credit Facility for payment of the interest on such Outstanding Series 2009 Bonds is less than the amount determined in accordance with the Bond Series Certificate;

(B) the Credit Facility related to such Tendered Bonds then in effect will expire or terminate within 20 days after the Tender Date of the Tendered Bonds, unless and until such Credit Facility has been extended or a Substitute Credit Facility has been provided in accordance with the Bond Series Certificate; or

(C) the Bonds were tendered pursuant to a Mandatory Tender required by the Credit Facility Issuer following an Event of Default under the Reimbursement Agreement by delivering a notice in accordance with the Bond Series Certificate.

Notwithstanding anything in Section (c)(i)(B) hereinabove to the contrary, the Remarketing Agent may remarket Tendered Bonds in a Fixed Rate where the Credit Facility related to such Tendered Bonds then in effect will expire or terminate within 20 days after the Tender Date of the Tendered Bonds.

(ii) No such Tendered Bonds shall be remarketed by the Remarketing Agent to the Authority or the Institution unless there has been delivered to the Trustee an Opinion of Bond Counsel and an opinion of counsel reasonably satisfactory to the Trustee and any Rating Service (other than S&P) to the effect that payment of the Purchase Price of Tendered Bonds from moneys paid by or on behalf of the Authority or the Institution for the purchase of such Tendered Bonds

will not constitute a voidable preference under Section 547 of the United States Bankruptcy Code in a proceeding commenced by or against the Authority or an Institution thereunder.

(Section 4.02 of the 2009 Bond Series Certificate)

Capitalized Interest Account

Pursuant to the Series 2009 Resolution, a Capitalized Interest Account are by the Bond Series Certificate created and established in the Construction Fund for the Series 2009 Bonds.

(Section 5.01 of the 2009 Bond Series Certificate)

Moneys Derived from Remarketing of Tendered Bonds and Draws on Credit Facility for Tendered Bonds

Establishment of Accounts and Deposits to Accounts

Pursuant to the Series 2009 Resolution, the following accounts in the Debt Service Fund shall be established and held and maintained by the Trustee for the benefit of the holders of the Series 2009 Bonds and the Credit Facility Issuer: (i) a 2009 Purchase Account, (ii) a 2009 Remarketing Proceeds Account and (iii) a 2009 Authority Available Moneys Account. The 2009 Purchase Account, the 2009 Remarketing Proceeds Account, the 2009 Authority Available Moneys Account and the moneys derived from the remarketing of the Series 2009 Bonds or from a Credit Facility from time to time on deposit therein are by the Bond Series Certificate pledged by the Authority, and the Authority by the Bond Series Certificate grants a security interest therein to the Trustee and the Credit Facility Issuer, subject to the terms of the Intercreditor Agreement, to secure payment of the Purchase Price of Tendered Bonds and the obligations of the Institution to the Credit Facility Issuer under the Reimbursement Agreement. Amounts in a Series 2009 Purchase Account, a Series 2009 Remarketing Proceeds Account shall, except as otherwise described below, be held in Eligible Accounts separate and apart from and not be commingled with amounts held in any other fund or account established under the Resolution or with any other moneys of the Authority, the Tender Agent or the Trustee. The moneys in such accounts within the 2009 Purchase Account, the 2009 Remarketing Proceeds Account and the 2009 Authority Available Moneys Account shall be held uninvested and without liability on the part of the Trustee for interest thereon.

Application of Fund

Notwithstanding anything to the contrary in the Resolution with respect to moneys on deposit in the Debt Service Fund, all amounts received by the Tender Agent from a Remarketing Agent representing the proceeds from the remarketing of Tendered Bonds shall be deposited in the 2009 Remarketing Proceeds Account and shall be used only for the payments of the Purchase Price of Tendered Bonds so remarketed as provided in the Bond Series Certificate. Notwithstanding anything to the contrary in the Resolution with respect to moneys on deposit in the Debt Service Fund, only amounts derived from a drawing on a Credit Facility to pay the Purchase Price of Tendered Bonds that are not remarketed shall be deposited in the 2009 Purchase Account and used only for the payment of the Purchase Price of Tendered Bonds in the manner and at the times specified in the Bond Series Certificate. Notwithstanding anything to the contrary in the Resolution with respect to moneys on deposit in the Debt Service Fund (other than proceeds from the remarketing of Tendered Bonds and amounts derived from a drawing on a Credit Facility), all other Available Moneys to be applied to the payment of the Purchase Price of Tendered Bonds shall be deposited in the 2009 Authority Available Moneys Account and used for the payment of the Purchase Price of Tendered Bonds in the manner specified in the Bond Series Certificate. Moneys, if deposited by mistake or otherwise, in the 2009 Purchase Account, the 2009 Remarketing Account or the 2009 Authority Available Money Account shall not be used to pay the Purchase Price of Tendered Bonds. The Tender Agent shall hold all moneys delivered to it under the Bond Series Certificate for the purchase of Series 2009 Bonds in trust as agent and bailee of, and in escrow for the benefit of, the person or entity which shall have so delivered such moneys until such Series 2009 Bonds are purchased with such moneys. Notwithstanding anything contained in the paragraph to the contrary, moneys on deposit in the 2009 Remarketing Proceeds Account, not needed to pay the Purchase Price of Tendered Bonds shall be transferred to the 2009 Credit Facility Account to reimburse the 2009 Credit Facility Account for transfers necessary to pay accrued interest on the Tendered Bonds as provided in this paragraph.

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Priority of Payments

The Purchase Price of Tendered Bonds shall be paid solely with Available Moneys on deposit in the accounts within the Debt Service Fund relating to the Series 2009 Bonds in the following order of priority:

- First: From Available Moneys in the 2009 Remarketing Proceeds Account;
- Second: From Available Moneys in the 2009 Purchase Account; and
- Third: From Available Moneys in the 2009 Authority Available Moneys Account.

(Section 5.02 of the 2009 Bond Series Certificate)

Payments of Debt Service with Amounts Drawn Under Credit Facility; Debt Service Fund.

There shall be established in the Debt Service Fund an account to be designated as the “2009 Credit Facility Account” and an account to be designated as the “2009 Institution Payments Account.” The Trustee shall deposit all amounts drawn under the Credit Facility (other than amounts drawn to pay the Purchase Price of any Series 2009 Bonds) to pay principal of or interest on Series 2009 Bonds (other than Bank Bonds and Series 2009 Bonds held by or for the account of the Authority, the Institution or any of their affiliates) in the 2009 Credit Facility Account. The 2009 Credit Facility Account shall be solely for the benefit of such Series 2009 Bonds and amounts on deposit therein shall not be available for the payment of any other Series of Bonds. Moneys in the 2009 Credit Facility Account shall be held uninvested and without liability on the part of the Trustee for interest thereon. The Trustee shall deposit in the 2009 Institution Payments Account all amounts to be deposited in the Debt Service Fund as provided in the Resolution. Amounts on deposit in the 2009 Institution Payments Account shall be held by the Trustee for the payment of all Bonds issued under the Resolution and the Bond Series Certificate. The Trustee shall draw on the Credit Facility in accordance with its terms at such times as are necessary in order to allow the Trustee to make, and the Trustee shall make, the payments required under the Resolution with respect to the Series 2009 Bonds (other than Bank Bonds and Series 2009 Bonds held by or for the account of the Authority, the Institution or any of their affiliates) with amounts on deposit in the 2009 Credit Facility Account in the Debt Service Fund. On the day that amounts are drawn under the Credit Facility with respect to the Series 2009 Bonds (other than amounts drawn to pay the Purchase Price of any Series 2009 Bonds), the Trustee shall withdraw from the 2009 Institution Payments Account in the Debt Service Fund an amount sufficient to reimburse the Credit Facility Issuer for such draw and shall pay such amount to the Credit Facility Issuer. If the amounts on deposit in the 2009 Credit Facility Account in the Debt Service Fund are insufficient to make the payments (other than payments of the Purchase Price of Tendered Bonds) to be made under the Resolution with respect to the Series 2009 Bonds (other than Bank Bonds, Series 2009 Bonds in the Fixed Rate Period and Series 2009 Bonds held by or for the account of the Authority, the Institution or any of their affiliates), then the Trustee shall use amounts on deposit in the 2009 Institution Payments Account in the Debt Service Fund to make up any deficiency prior to making the transfers from other funds as provided in the Resolution. Amounts drawn under a Credit Facility shall not be deemed the property of the Authority or the Institution. Series 2009 Bonds payable with amounts drawn under the Credit Facility may be purchased by the Authority in lieu of optional redemption, as provided in the Bond Series Certificate and the Resolution, only with amounts on deposit in the 2009 Credit Facility Account and Available Moneys on deposit in the 2009 Institution Payments Account.

(Section 5.03 of the 2009 Bond Series Certificate)

Debt Service Reserve Fund Account with respect to Series 2009 Bonds

There shall be established in the Debt Service Reserve Fund an account to be designated as the “2009 Debt Service Reserve Fund Account.” The Trustee shall deposit to the credit of such account of the Debt Service Reserve Fund such proceeds of the sale of the Series 2009 Bonds as shall be equal to the Debt Service Reserve Requirement, and any Revenues, moneys or Permitted Investments as, by the provisions of the Loan Agreement, are delivered to the Trustee by the Institution for the purposes of the 2009 Debt Service Reserve Account.

(Section 5.04 of the 2009 Bond Series Certificate)

Payments on Redemption

The Trustee shall deposit in the 2009 Institution Payments Account all amounts to be deposited in the Debt Service Fund for the redemption of Series 2009 Bonds in accordance with the Resolution and the Bond Series Certificate and shall deposit all amounts drawn under the Credit Facility in the 2009 Credit Facility Account. The Trustee shall draw on the Credit Facility in accordance with its terms at such times as are necessary in order to allow the Trustee to make, and the Trustee shall make, the payments required under the Resolution (except (i) with respect to Bank Bonds and Series 2009 Bonds held by or for the account of the Authority, the Institution or any of their affiliates, or (ii) with respect to the payment of the redemption premium, if any, on the Series 2009 Bonds being redeemed) with amounts on deposit in the 2009 Credit Facility Account of the Debt Service Fund. On the day that amounts are drawn under the Credit Facility, the Trustee shall withdraw from the 2009 Institution Payments Account an amount sufficient to reimburse the Credit Facility Issuer for such draw and shall pay such amount to the Credit Facility Issuer. If the amounts on deposit in the 2009 Credit Facility Account are insufficient to make the payments under the Resolution (except with respect to Bank Bonds and Series 2009 Bonds held by or for the account of the Authority, the Institution or any of their affiliates), then the Trustee shall use amounts on deposit in the 2009 Institution Payments Account to make up any deficiency prior to making the transfers from other Funds as provided in the Resolution. Amounts drawn under the Credit Facility shall not be deemed the property of the Authority or the Institution. The Trustee shall pay the redemption premium on any Series 2009 Bonds with respect to which the Redemption Price is payable with amounts drawn under the Credit Facility with Available Moneys on deposit in the Institution Payments Account. The Trustee shall pay the Redemption Price of Bank Bonds and Series 2009 Bonds held by or for the account of the Institution with any amounts on deposit in the 2009 Institution Payments Account. Series 2009 Bonds payable with amounts drawn under the Credit Facility may be purchased as provided in the Bond Series Certificate and the Resolution only with amounts on deposit in the 2009 Credit Facility Account and Available Moneys on deposit in the 2009 Institution Payments Account.

(Section 5.05 of the 2009 Bond Series Certificate)

Deposit of Revenues

Notwithstanding anything to the contrary in clause First of subdivision 1 of Section 5.06 of the Resolution, 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 thereof be deposited or paid by the Trustee as follows and in the following 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 Series 2009 Bonds payable on or prior to the next succeeding January 1, including the interest estimated by the Authority to be payable on any Series 2009 Bonds bearing interest at a Variable Interest Rate 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 Series 2009 Bonds payable on or prior to the next succeeding January 1 and (c) the purchase price or Redemption Price of Outstanding Series 2009 Bonds theretofore contracted to be purchased or called for redemption pursuant to Section 5.06 of 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 Series 2009 Bonds payable on or prior to the July 1 which is the last day of such Bond

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Year, including the interest estimated by the Authority to be payable on any Variable Interest Rate Bond on or prior to such 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, (b) the Sinking Fund Installments of Outstanding Series 2009 Bonds payable on or prior to the such July 1 and (c) the purchase price or Redemption Price of Outstanding Series 2009 Bonds theretofore contracted to be purchased or called for redemption pursuant to Section 5.06 of the Resolution on or prior to such July 1, plus accrued interest thereon to the date of purchase or redemption.

(Section 5.06 of the 2009 Bond Series Certificate)

Tax Covenant

(a) *General.* In order to maintain the exclusion from gross income for purposes of federal income taxation of interest on the Series 2009 Bonds, the Authority shall comply with the provisions of the Code applicable to the Series 2009 Bonds necessary to maintain such exclusion, including, without limitation, the provisions of the Code which prescribe yield and other limits within which proceeds of the Series 2009 Bonds are to be invested, and which, in certain circumstances, require the rebate of certain earnings on such amounts to the Department of the Treasury of the United States of America in accordance with Section 148(f) of the Code. In furtherance of the foregoing, the Authority shall comply with the Tax Certificate and with such written instructions as may be provided by Bond Counsel or a special tax counsel.

(b) *No Arbitrage Covenant.* The Authority shall not take any action or fail to take any action which would cause the Series 2009 Bonds to be “arbitrage bonds” within the meaning of Section 148(a) of the Code; nor shall the Authority use or permit the use, directly or indirectly, of any part of the proceeds of the Series 2009 Bonds to acquire any security or obligation the acquisition of which would cause any Series 2009 Bond to be an “arbitrage bond” within the meaning of Section 148(a) of the Code.

(c) *No Private Use or Private Loans.* The Authority shall not use any part of the proceeds of the Series 2009 Bonds in a manner which would cause the Series 2009 Bonds to be “private activity bonds” within the meaning of Section 141(a) of the Code.

(d) *Survival.* Notwithstanding any provision of the Resolution to the contrary, the obligations of the Authority to comply with the requirements of this Section shall survive the payment, redemption or defeasance of any and all Series 2009 Bonds.

(Section 6.01 of the Series 2009 Resolution)

Credit Facilities

The Institution shall always provide a Credit Facility for all of the Series 2009 Bonds. While the Series 2009 Bonds bear interest at a Weekly Rate, Daily Rate or Term Rate of less than five (5) years, the Institution shall always provide a Liquidity Facility (which may be the same as the Credit Facility) for all of the Series 2009 Bonds. Such Credit Facility and Liquidity Facility must meet the requirements of the Resolution, the Series 2009 Resolution and Article VII of the Bond Series Certificate.

The minimum amount of moneys available to be obtained under a Credit Facility on any date shall be the sum of (i) the principal amount of Series 2009 Bonds to which the Credit Facility relates that are Outstanding on such date (other than Bank Bonds or Series 2009 Bonds held by or for the account of the Authority), plus (ii) together with amounts on deposit in the 2009 Credit Facility Account to pay accrued interest on Tendered Bonds, an amount with respect to interest on such Series 2009 Bonds equal to interest accruing for such period and at such rate of interest as determined by an Authorized Representative of the Authority, but in no event in excess of the Maximum Rate.

The Authority shall at or prior to the effective date of any Credit Facility deliver to the Trustee a Certificate of Determination setting forth (i) the required amount of the Credit Facility and the calculation of the components thereof with respect to the payment of the principal of and interest on the Series 2009 Bonds to which such Credit Facility relates and (ii) the interest rate and the number of days of interest accruing at such rate used to calculate the interest component of the Credit Facility.

The Trustee shall deposit all amounts drawn under the Credit Facility into the 2009 Credit Facility Account of the Debt Service Fund. Only amounts drawn under the Credit Facility shall be deposited in the 2009 Credit Facility Account. All other moneys deposited in the Debt Service Fund shall be held separate and apart from the 2009 Credit Facility Account. Amounts drawn under the Credit Facility shall not be deemed the property of the Authority or the Institution. The Trustee shall draw upon the Credit Facility to pay, when due, whether at maturity or upon acceleration, the principal of, Sinking Fund Installments, Redemption Price, Purchase Price and interest on the Series 2009 Bonds. In addition, the Trustee shall draw on the Credit Facility in accordance with its terms at the following times and in the following amounts:

- (i) at such times as are necessary in order to allow the Trustee to make the payments required in the event that the Series 2009 Bonds have been called for optional redemption pursuant to the provisions of the Bond Series Certificate or special redemption pursuant to the Bond Series Certificate or purchase in lieu of optional redemption pursuant to the Bond Series Certificate;
- (ii) on each Mandatory Tender Date an amount equal to the Purchase Price of the Series 2009 Bonds;
- (iii) on each Optional Tender Date pursuant to the Bond Series Certificate;
- (iv) at such times as are necessary in order to allow the Trustee to make the payments required under the Resolution on the date such payments are due; and
- (v) at such times as are necessary to allow the Trustee to make the payments required under the Resolution in the event of an acceleration.

The Trustee shall make the payments required to be made pursuant to the Resolution with amounts on deposit in the 2009 Credit Facility Account. If the amounts on deposit in the 2009 Credit Facility Account are insufficient to make such payments, then the Trustee shall use other Available Moneys on deposit in the Debt Service Fund (other than moneys on deposit in the 2009 Purchase Account, the 2009 Remarketing Proceeds Account and the 2009 Authority Available Moneys Account). If the amount on deposit in the 2009 Credit Facility Account and other Available Moneys on deposit in the Debt Service Fund with respect to the Series 2009 Bonds (other than moneys on deposit in the 2009 Purchase Account, the 2009 Remarketing Proceeds Account and the 2009 Authority Available Moneys Account) is insufficient to make the payments (other than with respect to payments of the optional purchase price of Series 2009 Bonds pursuant to the Bond Series Certificate) required to be made pursuant to the Resolution, then the Trustee shall use any other moneys on deposit in the Debt Service Fund other than moneys on deposit in the 2009 Credit Facility Account.

The Trustee and the Tender Agent shall take such actions as may be required by the Credit Facility in accordance with its terms to obtain moneys at the times and in the amounts sufficient to pay the Purchase Price of Tendered Bonds to which the Credit Facility relates, less the amount available therefor in the 2009 Remarketing Proceeds Account, as the same is due and payable.

Notwithstanding anything in the Bond Series Certificate to the contrary, moneys obtained under a Credit Facility shall not be deemed the property of the Authority or the Institution and shall be applied solely in accordance with the terms of the Bond Series Certificate. Moneys in the 2009 Credit Facility Account shall be held in an Eligible Account. In no event will moneys obtained under a Credit Facility be applied to the payment of the principal, Redemption Price or purchase price of or interest on any Bonds other than the Series 2009 Bonds to which the Credit Facility relates.

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None of the Trustee, the Tender Agent or the Paying Agent, if any, shall have any lien on the moneys obtained under a Credit Facility or the proceeds of the remarketing of tendered Series 2009 Bonds in respect of its compensation or other amounts owing to it. Neither the Tender Agent nor the Trustee shall seek indemnification prior to obtaining moneys under a Credit Facility, making payments to Bondholders or effecting a mandatory tender, acceleration or redemption of the Series 2009 Bonds.

The Trustee shall furnish to each Credit Facility Issuer such notices as are required under the terms of the applicable Credit Facility, including, without limitation, all notices for obtaining moneys, transfers, cancellations and increases or decreases in the amount available thereunder.

Notwithstanding anything in the Bond Series Certificate to the contrary, the Trustee shall not draw on the Credit Facility for the purpose of making any payment of the Purchase Price or principal of, or interest or premium, if any, on, a Bank Bond, any Series 2009 Bonds held by the Authority or the Institution, or any affiliate thereof.

(Section 7.01 of the 2009 Bond Series Certificate)

Substitution of Credit Facility

The Authority may replace a Credit Facility with a Substitute Credit Facility upon written notice to a Credit Facility Issuer, or the Institution may, at any time, at its option with the prior written consent of the Authority and upon written notice to a Credit Facility Issuer, deliver or cause to be delivered to the Trustee a Substitute Credit Facility provided by the Institution in accordance with the Bond Series Certificate; provided, however, that in no event shall an existing Credit Facility be surrendered to the Credit Facility Issuer thereof upon delivery of a Substitute Credit Facility until (i) a drawing to pay the Purchase Price of the Series 2009 Bonds tendered for purchase pursuant to the Bond Series Certificate and not remarketed has been honored by such Credit Facility Issuer and (ii) the then-existing Credit Facility Issuer certifies that the Institution has complied with the requirements of the then-existing Credit Facility and related Reimbursement Agreement with respect to the substitution or replacement of such Credit Facility.

Prior to the substitution of any Substitute Credit Facility, there must be delivered to the Trustee (i) an Opinion of Bond Counsel which opinion shall also state that the execution or delivery of such Substitute Credit Facility is authorized under the Bond Series Certificate and complies with the terms of the Bond Series Certificate, (ii) an opinion or opinions of counsel to the Credit Facility Issuer issuing such Substitute Credit Facility, satisfactory in form and substance to the Authority and the Trustee, and (iii) evidence from a Rating Service of the rating that will then be in effect with respect to the Series 2009 Bonds.

(Section 7.02 of the 2009 Bond Series Certificate)

Amendment of Credit Facility

The Trustee may consent to an amendment of a Credit Facility that would otherwise adversely affect the interests of any of the Bondholders, provided that such amendment will not become effective until after the date on which there is a mandatory tender of Series 2009 Bonds and, in the reasonable judgment of the Trustee, such amendment will not adversely affect the rights of any Holders of such tendered Series 2009 Bonds subsequent to the remarketing thereof. An extension of the Credit Facility is not an amendment thereto.

(Section 7.03 of the 2009 Bond Series Certificate)

Reduction or Termination of Credit Facility

The Trustee shall, in accordance with the applicable provisions of the Credit Facility, take such action (including filing of certificates of reduction), if any, as shall be required to reduce the amount available to be drawn thereunder in respect of the principal, Sinking Fund Installments, and Redemption Price of and interest on the Series 2009 Bonds to reflect any reduction in the amount of Bonds Outstanding.

(Section 7.04 of the 2009 Bond Series Certificate)

Cancellation Upon Defeasance

In the event the Series 2009 Bonds are no longer Outstanding for the reason that such Bonds have been paid or deemed to have been paid in accordance with the Resolution, then the Trustee shall surrender the Credit Facility to the Credit Facility Issuer for cancellation as provided in the Credit Facility.

(Section 7.05 of the 2009 Bond Series Certificate)

Transfer of Credit Facility

The Trustee shall, on or prior to the effective date of its resignation or removal pursuant to Article VIII of the Resolution, cause the transfer of any Credit Facility in accordance with its terms to the successor Trustee and Tender Agent.

(Section 7.06 of the 2009 Bond Series Certificate)

Credit Facility Issuer Default

Notwithstanding any other provisions of the Bond Series Certificate, subsequent to the occurrence of a Credit Facility Issuer Default which is continuing, the Bondholders or the Trustee may exercise its rights granted under the Resolution without the prior written consent of the Credit Facility Issuer.

(Section 7.07 of the 2009 Bond Series Certificate)

Subrogation Rights of Credit Facility Issuer

In the event that (i) the principal of and interest on the Series 2009 Bonds has become immediately due and payable because an Event of Default has occurred and is continuing under the Resolution, or (ii) the Trustee shall draw against the Credit Facility in connection with the redemption, in whole, of the Series 2009 Bonds, and in either such case the Credit Facility Issuer shall have provided the Trustee with funds pursuant to the Credit Facility for the payment in full of the principal of and the interest on the Series 2009 Bonds then, and in such event, the Credit Facility Issuer shall be subrogated to all rights theretofore possessed under the Resolution and the Loan Agreement by the Trustee and the Holders of the Series 2009 Bonds in respect of which such principal and interest shall have been paid with funds provided by the Credit Facility Issuer (to the extent such funds provided by the Credit Facility Issuer pursuant to the Credit Facility shall not have been reimbursed to the Credit Facility Issuer). After the payment in full of all Series 2009 Bonds owned by the Holders thereof, any reference in the Bond Series Certificate to the Holders of the Series 2009 Bonds or to the Bondholders shall mean the Credit Facility Issuer to the extent of its subrogation rights resulting from payments made pursuant to the Credit Facility.

(Section 7.08 of the 2009 Bond Series Certificate)

Consent Rights of the Credit Facility Issuer

If no Credit Facility Issuer Default is occurring, the Credit Facility Issuer, and not the actual Holders of the Series 2009 Bonds, shall be deemed to be the Holder of the Series 2009 Bonds payable from such Credit Facility for the purpose of exercising any right or power, consenting to an amendment, modification or waiver, or requesting or

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directing the Trustee to take or not to take any action under the Resolution; provided, however, that the provisions of this Section shall not apply to any 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, 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.

(Section 7.09 of the 2009 Bond Series Certificate)

No Waiver of Event of Default Under Resolution

Notwithstanding anything in the Resolution to the contrary, if the Credit Facility has been drawn upon and the amount available thereunder has not been reinstated in accordance with the terms thereof (other than in connection with a permanent reduction of the amount available under the Credit Facility), the Trustee shall not waive an event of default under the Resolution.

(Section 7.10 of the 2009 Bond Series Certificate)

Limitation of Rights

With the exception of the rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Bond Series Certificate is intended or shall be construed to give any person other than the parties hereto, each Credit Facility Issuer and the Holders of the Series 2009 Bonds any legal or equitable right, remedy or claim under or in respect to this Bond Series Certificate or all of the covenants, conditions and agreements herein contained. This Bond Series Certificate and all of the covenants, conditions and agreements hereof are intended to be and are for the sole and exclusive benefit of the Authority, the Trustee, the Tender Agent, each Credit Facility Issuer and the Holders of the Series 2009 Bonds as herein provided.

(Section 10.1 of the 2009 Bond Series Certificate)

Amendments

The Bond Series Certificate may be amended in any way without the consent of the Holders of the Series 2009 Bonds, but with the consent of the Credit Facility Issuer: (i) on any Mandatory Tender Date; and (ii) at any time during the Daily Mode and the Weekly Mode, provided that notice of such amendment is given by first class mail to each Holder of Series 2009 Bonds at least 30 days prior to the effective date of such amendment.

(Section 10.02 of the 2009 Bond Series Certificate)

Rating Confirmation on Defeasance

Series 2009 Bonds in a Daily or Weekly Mode will not be deemed to have been paid upon a defeasance under Article XII of the Resolution unless the Authority has obtained a confirmation from each Rating Service that the rating on the Series 2009 Bonds will not be downgraded or withdrawn as a result of such defeasance.

(Section 10.05 of the 2009 Bond Series Certificate)

**SUMMARY OF CERTAIN PROVISIONS OF THE SERIES 1998 RESOLUTION AND
THE SERIES 1998 BOND SERIES CERTIFICATE**

The following is a summary of certain provisions of the Series 1998 Resolution and the Series 1998 Bond Series Certificate pertaining to the Project. This summary does not purport to be complete and reference is made to the Series 1998 Resolution and the Series 1998 Bond Series Certificate for full and complete statements of their provisions. Defined terms used in the Appendix have the meanings ascribed to them in Appendix A.

Letter of Credit

Principal of and interest on the Series 1998 Bonds (other than Bank Bonds and Series 1998 Bonds held by or for the account of the Authority, the Institution or any of their affiliates) and the Purchase Price of the Series 1998 Bonds that are tendered for purchase but are not remarketed shall be payable with amounts drawn under the Letter of Credit. During the term of the Letter of Credit, the Trustee shall draw thereon in accordance with the terms thereof and shall apply such amounts to the payment, or to provide for the payment when due, whether on an Interest Payment Date, a redemption date or upon acceleration or maturity, of the interest on the Series 1998 Bonds or principal of the Series 1998 Bonds (other than Bank Bonds and Series 1998 Bonds held by or for the account of the Authority, the Institution or any of their affiliates) and to provide for the payment on any purchase date of the Purchase Price of tendered Series 1998 Bonds. Notwithstanding anything in the Resolution to the contrary, moneys drawn under a Letter of Credit shall not be deemed the property of the Authority or the Institution and shall be applied solely in accordance with the terms of the Resolution and of the Bond Series Certificate applicable to the Resolution. Moneys drawn under a Letter of Credit shall be held uninvested by the Trustee in a separate account (which shall be an Eligible Account) to be used solely as set forth in the second preceding sentence and shall not be commingled with other funds held by the Trustee. If, on any date on which principal of Series 1998 Bonds shall be paid, moneys for the payment of principal on the Series 1998 Bonds to be paid on such date and interest accrued thereon shall be held by the Trustee in the 1998 Letter of Credit Account of the Debt Service Fund, then from and after such Interest Payment Date interest on such Series 1998 Bonds shall cease to accrue and become payable.

The amount available to be drawn under the Letter of Credit shall at all times be not less than the amounts specified in the Bond Series Certificate, and any references to this paragraph shall mean the applicable provision of the Bond Series Certificate.

(Section 6.1 of the Series 1998 Resolution).

Payments of Debt Service with Amounts Drawn Under Letter of Credit; Debt Service Fund

There shall be established in the Debt Service Fund an account to be designated as the “1998 Letter of Credit Account” and an account to be designated as the “Institution Payments Account.” The Trustee shall deposit all amounts drawn under the Letter of Credit to pay principal of or interest on Series 1998 Bonds (other than Bank Bonds and Series 1998 Bonds held by or for the account of the Authority, the Institution or any of their affiliates) in the 1998 Letter of Credit Account. The 1998 Letter of Credit Account shall be solely for the benefit of such Series 1998 Bonds and amounts on deposit therein shall not be available for the payment of any other Series of Bonds. The Trustee shall deposit in the Institution Payments Account all amounts to be deposited in the Debt Service Fund as provided in the Resolution. Amounts on deposit in the Institution Payments Account shall be held by the Trustee for the payment of all Bonds issued under the Resolution. The Trustee shall draw on the Letter of Credit in accordance with its terms at such times as are necessary in order to allow the Trustee to make, and the Trustee shall make, the payments required under Section 5.06 of the Resolution with respect to the Series 1998 Bonds (other than Bank Bonds and Series 1998 Bonds held by or for the account of the Authority, the Institution or any of their affiliates) with amounts on deposit in the 1998 Letter of Credit Account in the Debt Service Fund. On the day that amounts are drawn under the Letter of Credit, the Trustee shall withdraw from the Institution Payments Account in the Debt Service Fund an amount sufficient to reimburse the Bank for such draw and shall pay such amount to the Bank. If the amounts on deposit in the 1998 Letter of Credit Account in the Debt Service Fund and other Available Moneys on deposit in the Debt Service Fund with respect to the Series 1998 Bonds are insufficient to make the payments to be made under Section 5.06 of the Resolution with respect to the Series 1998 Bonds (other than Bank Bonds, Series 1998 Bonds in the Fixed Rate Period and Series 1998 Bonds held by or for the account of the Authority, the Institution or any of their affiliates), then the Trustee shall use amounts on deposit in the Institution

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Payments Account in the Debt Service Fund to make up any deficiency prior to making the transfers from other funds as provided in the Resolution. Amounts drawn under a Letter of Credit shall not be deemed the property of the Authority or the Institution. Series 1998 Bonds payable with amounts drawn under the Letter of Credit may be purchased as provided in the Resolution, only with amounts on deposit in the 1998 Letter of Credit Account and Available Moneys on deposit in the Institution Payments Account.

(Section 6.2. of the Series 1998 Resolution)

Payments on Redemption

The Trustee shall deposit in the Institution Payments Account all amounts to be deposited in the Debt Service Fund for the redemption of Series 1998 Bonds in accordance with the Resolution and shall deposit all amounts drawn under the Letter of Credit in the 1998 Letter of Credit Account. The Trustee shall draw on the Letter of Credit in accordance with its terms at such times as are necessary in order to allow the Trustee to make, and the Trustee shall make, the payments required under Section 5.06 or 5.13 of the Resolution (except (i) with respect to Bank Bonds and Series 1998 Bonds held by or for the account of the Authority, the Institution or any of their affiliates, or (ii) with respect to the payment of the redemption premium, if any, on the Series 1998 Bonds being redeemed) with amounts on deposit in the 1998 Letter of Credit Account of the Debt Service Fund. On the day that amounts are drawn under the Letter of Credit, the Trustee shall withdraw from the Institution Payments Account an amount sufficient to reimburse the Bank for such draw and shall pay such amount to the Bank. If the amounts on deposit in the 1998 Letter of Credit Account are insufficient to make the payments under Section 5.06 or 5.13 of the Resolution (except with respect to Bank Bonds and Series 1998 Bonds held by or for the account of the Authority, the Institution or any of their affiliates), then the Trustee shall use amounts on deposit in the Institution Payments Account to make up any deficiency prior to making the transfers from other Funds as provided in the Resolution. Amounts drawn under the Letter of Credit shall not be deemed the property of the Authority or the Institution. The Trustee shall pay the redemption premium on any Series 1998 Bonds with respect to which the Redemption Price is payable with amounts drawn under the Letter of Credit with Available Moneys on deposit in the Institution Payments Account. The Trustee shall pay the Redemption Price of Bank Bonds and Series 1998 Bonds held by or for the account of the Institution with any amounts on deposit in the Institution Payments Account. Series 1998 Bonds payable with amounts drawn under the Letter of Credit may be purchased as provided in the Resolution only with amounts on deposit in the 1998 Letter of Credit Account and Available Moneys on deposit in the Institution Payments Account.

The Trustee shall not give notice of the redemption of Series 1998 Bonds in the Term Rate Mode if a redemption premium is payable as part of the Redemption Price thereof, until such time as Available Moneys in the amount of such redemption premium are held by the Trustee to be applied to the payment of such redemption premium.

(Section 6.3 of the Series 1998 Resolution)

Substitute Letter of Credit

A Substitute Letter of Credit satisfying the conditions set forth in the two paragraphs below may be obtained from time to time with respect to the Series 1998 Bonds.

Not less than thirty five (35) days prior to the proposed effective date of the Substitute Letter of Credit, the Authority and the Institution shall have received a written commitment from the issuer of such Substitute Letter of Credit to issue such Substitute Letter of Credit. The Authority shall promptly notify the Trustee and the Remarketing Agent by telephone promptly confirmed in writing of its receipt of such commitment.

The effective date of a Substitute Letter of Credit shall be a Business Day on or prior to the expiration date of the Letter of Credit then in effect. The amount available to be drawn under the Substitute Letter of Credit shall be not less than the applicable amount specified in the Resolution. The Bank issuing the Substitute Letter of Credit shall purchase all Bank Bonds held by the predecessor Bank at a purchase price equal to the amount drawn under the predecessor Letter of Credit to pay the Purchase Price of such Bank Bonds that has not been reimbursed plus interest

on such amount calculated in accordance with the Reimbursement Agreement or such other amount as may be agreed to by the predecessor Bank, the Authority and the Institution.

The Series 1998 Bonds shall be subject to mandatory tender on the date on which the Substitute Letter of Credit is scheduled to become effective with respect to such Series 1998 Bonds, whether or not the Substitute Letter of Credit actually becomes effective on such date. The Trustee shall draw on the Letter of Credit then in effect (and not on the Substitute Letter of Credit) to pay the Purchase Price of the Series 1998 Bonds tendered for purchase pursuant to the Resolution and not remarketed. If the Series 1998 Bonds are otherwise subject to mandatory tender on the date on which the Substitute Letter of Credit is scheduled to become effective, such mandatory tender shall be conducted in accordance with the applicable provisions of Article IV of the Resolution. If the Series 1998 Bonds are not otherwise subject to mandatory tender on the date on which the Substitute Letter of Credit is scheduled to become effective, the Series 1998 Bonds shall be subject to mandatory tender on such date in accordance with the procedures set forth in the Resolution. Notice of mandatory tender shall be given by the Trustee to the Bondholders by first class mail (or, at the option of the Trustee, by certified mail, return receipt requested) not fewer than thirty (30) days prior to the date on which the Substitute Letter of Credit is to be effective and shall state that a Substitute Letter of Credit is scheduled to become effective, that the Series 1998 Bonds are subject to mandatory tender and the date of such tender, but mailing such copies shall not be a condition precedent to such mandatory tender and failure to so mail or of a person to which such notice was mailed to receive such notice shall not affect the validity of the mandatory tender on the proposed date and all Series 1998 Bonds will be deemed tendered as of such date. The Remarketing Agent shall not sell a Series 1998 Bond for which the Substitute Letter of Credit had not previously been in effect unless the Remarketing Agent has advised the person to whom the sale is made of the issuer of the Substitute Letter of Credit and the expiration date thereof.

All of the provisions of the Resolution, the Series 1998 Resolution and the Bond Series Certificate applicable to the Resolution that are applicable to the Letter of Credit, shall also be applicable to any Substitute Letter of Credit.

On the later of (i) the day on which all draws on the prior Letter of Credit to pay the Purchase Price of Series 1998 Bonds tendered for purchase pursuant to the Resolution and not remarketed have been honored, or (ii) the day on which the Substitute Letter of Credit becomes effective, the Trustee shall surrender the prior Letter of Credit to its issuer for cancellation. If for any reason the Substitute Letter of Credit is not issued on the proposed effective date, the Authority shall so notify the Trustee and the Remarketing Agent and the Letter of Credit then in effect shall not be surrendered for cancellation and shall remain in effect until its termination date.

No Substitute Letter of Credit shall be delivered to the Trustee unless (i) there shall be written evidence to the effect that the provider of the Substitute Letter of Credit shall have a long term rating assigned by Moody's of at least "A," or a long-term rating assigned by S&P of at least "A" and a short term rating assigned by Moody's of at least "P1" or a short term rating assigned by S&P of at least "A1" and the Institution shall have delivered to the Remarketing Agent, the Authority and the Trustee a written notice from the rating agency or agencies then rating the Series 1998 Bonds confirming that the ratings on the Series 1998 Bonds will not be lowered or withdrawn as a result of the substitution of the Substitute Letter of Credit; (ii) there shall have been delivered to the Authority and the Trustee a Favorable Opinion of Bond Counsel; (iii) there shall have been delivered to the Trustee and the Authority opinions of counsel reasonably satisfactory to the Authority and the Trustee substantially to the effect that (1) the provider of the Substitute Letter of Credit is duly organized and existing under the laws of the jurisdiction of its organization, and, if applicable, is duly qualified to do business in the United States of America; (2) the Substitute Letter of Credit is a legal, valid and binding obligation of the provider of the Substitute Letter of Credit enforceable in accordance with its terms, except as limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to, or affecting generally the agreement of, creditors' rights and remedies applicable to the provider of the Substitute Letter of Credit, and by the availability of equitable remedies, including specific performance and injunctive relief; and (3) the Substitute Letter of Credit is an exempt security under the Securities Act of 1933, as amended, and, accordingly, neither the registration of the Series 1998 Bonds under the Securities Act of 1933, as amended, nor the qualification of the Resolution or the Series 1998 Resolution in respect thereof under the Trust Indenture Act of 1939, as amended, will be required in connection with the issuance and delivery of such Substitute Letter of Credit or the remarketing of the Series 1998 Bonds with the benefits thereof; (iv) an Authorized Officer of the Authority consents in writing to the Substitute Letter of Credit, which consent shall not be unreasonably withheld; (v) a certificate of the Bank whose Letter of Credit is being replaced is delivered to the Trustee and the

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Authority to the effect that amounts due such Bank under the corresponding Reimbursement Agreement and any Bank Bonds that remain Outstanding have been paid in full; and (vi) there shall have been delivered to the Trustee an agreement executed by the provider of the Substitute Letter of Credit to the effect that the provider of the Substitute Letter of Credit will (upon the delivery of Substitute Letter of Credit) be deemed to be the “Bank” for all purposes of the Intercreditor Agreement (including Exhibit A thereto), having all rights of the “Bank” and being subject to all obligations of the “Bank” thereunder.

(Section 6.4 of the Series 1998 Resolution)

Amendment of Letter of Credit.

No Letter of Credit shall be amended without the consent of the Trustee and the receipt by the Trustee of a Favorable Opinion of Bond Counsel. The Trustee shall not consent to any such amendment of the Letter of Credit which would adversely affect the interests of any of the Bondholders, unless such amendment shall not become effective until after a date on which there is a mandatory tender of the affected Series 1998 Bonds. For the purposes of this paragraph, an “amendment” of the Letter of Credit shall not include an extension of the Letter of Credit.

(Section 6.7 of the Series 1998 Resolution)

Transfer of Letter of Credit.

The Trustee shall, on or prior to the effective date of its resignation or removal pursuant to Article VIII of the Resolution, cause the transfer of the Letter of Credit to the successor Trustee.

(Section 6.8 of the Series 1998 Resolution)

Reduction or Termination of Letter of Credit

The Trustee shall, in accordance with the applicable provisions of the Letter of Credit, take such action (including filing of certificates of reduction), if any, as shall be required to reduce the amount available to be drawn thereunder in respect of the principal, Sinking Fund Installments, and Redemption Price of and interest on the Series 1998 Bonds to reflect any reduction in the amount of Bonds Outstanding.

(Section 6.9 of the Series 1998 Resolution)

Cancellation Upon Defeasance

In the event the Series 1998 Bonds are no longer Outstanding for the reason that such Bonds have been paid or deemed to have been paid in accordance with the Resolution, then the Trustee shall surrender the Letter of Credit to the Bank for cancellation as provided in the Letter of Credit.

(Section 6.10 of the Series 1998 Resolution)

Credit Facility Default

Notwithstanding any other provisions hereof, subsequent to the occurrence of a Credit Facility Default relating to the Bank which is continuing, the Bondholders or the Trustee may exercise its rights granted under the Resolution without the prior written consent of the Bank.

(Section 6.11 of the Series 1998 Resolution)

Subrogation Rights of Bank

In the event that (i) the principal of and interest on the Series 1998 Bonds have become immediately due and payable because an Event of Default has occurred and is continuing under the Resolution, or (ii) the Trustee

shall draw against the Letter of Credit in connection with the redemption, in whole, of the Series 1998 Bonds, and in either such case the Bank shall have provided the Trustee with funds pursuant to the Letter of Credit for the payment in full of the principal of and the interest on the Series 1998 Bonds then, and in such event, the Bank shall be subrogated to all rights theretofore possessed under the Resolution and the Loan Agreement by the Trustee and the Holders of the Series 1998 Bonds in respect of which such principal and interest shall have been paid with funds provided by the Bank (to the extent such funds provided by the Bank pursuant to the Letter of Credit shall not have been reimbursed to the Bank). After the payment in full of all Series 1998 Bonds owned by the Holders thereof, any reference herein to the Holders of the Series 1998 Bonds or to the Bondholders shall mean the Bank to the extent of its subrogation rights resulting from payments made pursuant to the Letter of Credit.

(Section 6.12 of the Series 1998 Resolution)

Consent Rights of the Bank

If no Credit Facility Default is occurring, the Bank, and not the actual Holders of the Series 1998 Bonds, shall be deemed to be the Holder of the Series 1998 Bonds payable from such Letter of Credit for the purpose of exercising any right or power, consenting to an amendment, modification or waiver, or requesting or directing the Trustee to take or not to take any action under the Resolution; provided, however, that the provisions of this Section shall not apply to any 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, 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.

(Section 6.13 of the Series 1998 Resolution)

No Waiver of Event of Default Under Resolution

Notwithstanding anything in the Resolution to the contrary, if the Letter of Credit has been drawn upon and the amount available thereunder has not been reinstated in full in accordance with the terms thereof (other than in connection with a permanent reduction of the amount available under the Letter of Credit), the Trustee shall not waive an event of default under the Resolution.

(Section 6.14 of the Series 1998 Resolution)

Limitation on Bondholders' Rights in the Event of Default

Upon the occurrence of an "event of default" under the Resolution, the Trustee shall not take any action on the written requests of the Holders of Series 1998 Bonds under Article XI of the Resolution unless the Bank shall consent to the action to be taken pursuant to such written requests. For purposes of the exercise of remedies to be pursued under Article XI of the Resolution and all other rights of Bondholders under such Article, the Bank shall be deemed to be the Holder of a principal amount of Series 1998 Bonds equal to the principal amount of Series 1998 Bonds payable with amounts drawn under the Letter of Credit. Notwithstanding anything in the Resolution or the Series 1998 Resolution to the contrary, no provision in the Resolution or the Series 1998 Resolution requiring the consent of the Bank or allowing the Bank to direct the actions of the Trustee shall have any force and effect at such time as the Bank has wrongfully failed to honor a drawing under the Letter of Credit or the Letter of Credit has been terminated.

(Section 7.3. of the Series 1998 Resolution)

Annulment of Acceleration

No acceleration of maturity of Series 1998 Bonds may be annulled pursuant to Section 11.03 of the Resolution unless and until the Trustee shall have received written notice that the Letter of Credit shall have been reinstated in the amount described in the Resolution.

(Section 7.4 of the Series 1998 Resolution)

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Debt Service Reserve Fund Account

Pursuant to the Series 1998 Resolution, a 1998 Debt Service Reserve Fund Account is by the Series 1998 Bond Series Certificate created and established in the Debt Service Reserve Fund for the Series 1998 Bonds.

There shall be established in the Debt Service Reserve Fund an account to be designated as the “1998 Debt Service Reserve Fund Account.” The Trustee shall deposit to the credit of such account of the Debt Service Reserve Fund such proceeds of the sale of the Series 1998 Bonds as shall be equal to the Debt Service Reserve Requirement with respect to the Series 1998 Bonds, and any Revenues, moneys or Permitted Investments as, by the provisions of the Loan Agreement, are delivered to the Trustee by the Institution for the purposes of the 1998 Debt Service Reserve Fund Account.

(Section 9 of the Series 1998 Bond Series Certificate)

No Recourse on Series 1998 Bonds.

No recourse shall be had for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price of or interest on the Series 1998 Bonds or the Purchase Price of Series 1998 Bonds tendered for purchase pursuant to Article IV hereof or for any claim based thereon or on this Series 1998 Resolution against any member, officer or employee of the Authority or any person executing the Series 1998 Bonds and neither the members of the Authority nor any other person executing the Series 1998 Bonds of the Authority shall be subject to any personal liability or accountability by reason of the issuance thereof, all such liability being expressly waived and released by every Holder of Series 1998 Bonds by the acceptance thereof.

(Section 9.2 of the 1998 Series Resolution)

Establishment of Accounts and Deposits to Accounts, Application of Fund, Priority of Payment

Pursuant to the Resolution, the following accounts in the Debt Service Fund are established and held and maintained by the Trustee for the benefit of the holders of the Series 1998 Bonds and the Bank: (i) a 1998 Purchase Account, (ii) a 1998 Remarketing Proceeds Account and (iii) a 1998 Authority Available Moneys Account. The 1998 Purchase Account, the 1998 Remarketing Proceeds Account, the 1998 Authority Available Moneys Account and the moneys derived from the remarketing of the Series 1998 Bonds or from a Letter of Credit from time to time on deposit therein are hereby pledged by the Authority, and the Authority hereby grants a security interest therein to the Trustee and the Bank, subject to the terms of the Intercreditor Agreement, to secure payment of the Purchase Price of tendered Series 1998 Bonds and the obligations of the Institution to the Bank under the Reimbursement Agreement. Amounts in a Series 1998 Purchase Account, a Series 1998 Remarketing Proceeds Account and a Series 1998 Authority Available Moneys Account shall, except as otherwise described below, be held in Eligible Accounts separate and apart from and not be commingled with amounts held in any other fund or account established under the Resolution or with any other moneys of the Authority, the Tender Agent or the Trustee. Notwithstanding anything to the contrary in the Resolution and the Series 1998 Resolution, the moneys in such accounts within the 1998 Purchase Account, the 1998 Remarketing Proceeds Account and the 1998 Authority Available Moneys Account shall be held uninvested and without liability on the part of the Trustee for interest thereon.

Notwithstanding anything to the contrary in the Series 1998 Resolution or the Resolution with respect to moneys on deposit in the Debt Service Fund, all amounts received by the Tender Agent from a Remarketing Agent representing the proceeds from the remarketing of tendered Series 1998 Bonds shall be deposited in the 1998 Remarketing Proceeds Account and shall be used only for the payments of the Purchase Price of tendered Series 1998 Bonds so remarketed as provided in the Series 1998 Resolution. Notwithstanding anything to the contrary in Section 5.06 of the Resolution with respect to moneys on deposit in the Debt Service Fund, only amounts derived from a drawing on the Letter of Credit to pay the Purchase Price of tendered Series 1998 Bonds that are not remarketed shall be deposited in the 1998 Purchase Account and used only for the payment of the Purchase Price of tendered Series 1998 Bonds in the manner at the times specified in the Series 1998 Resolution. Notwithstanding anything to the contrary in Section 5.06 of the Resolution with respect to moneys on deposit in the Debt Service

Fund, all other available moneys, including moneys transferred from the 1998 Letter of Credit Account to pay accrued interest on the tendered Bonds, to be applied to the payment of the Purchase Price of tendered Series 1998 Bonds shall be deposited in the 1998 Purchase Account and used only for the payment of the Purchase Price of tendered Series 1998 Bonds in the manner specified in the Series 1998 Resolution. No moneys, other than moneys transferred from the 1998 Letter of Credit Account as described in the preceding sentence, provided by the Authority or the Institution shall be accepted for deposit to the credit of the 1998 Purchase Account, the 1998 Remarketing Proceeds Account or the 1998 Authority Available Moneys Account, nor shall any such moneys, if deposited by mistake or otherwise, be used to pay the Purchase Price of tendered Series 1998 Bonds. Moneys in the 1998 Remarketing Proceeds Account and 1998 Purchase Account shall be held uninvested and without liability for interest thereon and shall be held in Eligible Accounts. The Tender Agent shall hold all moneys delivered to it hereunder for the purchase of Series 1998 Bonds in trust as agent and bailee of, and in escrow for the benefit of, the person or entity which shall have so delivered such moneys until such Series 1998 Bonds are purchased with such moneys. Notwithstanding anything contained in the paragraph to the contrary, moneys on deposit in the 1998 Remarketing Proceeds Account, not needed to pay the Purchase Price of tendered Series 1998 Bonds shall be transferred to the 1998 Letter of Credit Account to reimburse the 1998 Letter of Credit Account for transfers necessary to pay accrued interest on the tendered Series 1998 Bonds as provided in this paragraph.

The Purchase Price of tendered Series 1998 Bonds shall be paid solely with Available Moneys on deposit in the following accounts within the Debt Service Fund relating to the Series 1998 Bonds in the following order of priority:

- First: From Available Moneys in the 1998 Remarketing Proceeds Account;
- Second: From Available Moneys in the 1998 Purchase Account; and
- Third: From Available Moneys in the 1998 Authority Available Moneys Account.

(Section 10 of the Series 1998 Bond Series Certificate)

Pledge of Revenues and Accounts

The Revenues are by the Resolution pledged and assigned to the Trustee for the benefit of the Bondholders and to the Bank. The 1998 Letter of Credit Account is by the Resolution pledged and assigned to the Trustee for the benefit of the Holders of the Series 1998 Bonds and shall not be available for the payment of any other Series of Bonds. To the extent of the Authority's interest therein, the Institution Payments Account is by the Resolution pledged and assigned to the Trustee for the benefit of the Holders of the Series 1998 Bonds and, on a parity with such pledge, for the benefit of the Bank (but the Bank shall be entitled to payment from the Institution Payments Account only if there shall not have occurred and be continuing any wrongful dishonor of the Letter of Credit. Each pledge made by the Resolution shall constitute a first lien on the pledged accounts and such pledge is valid, binding and perfected from the time when the pledge attaches and the accounts which are pledged by the Resolution 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 and the Trustee irrespective of whether such parties have notice thereof. No instrument by which such lien is created nor any financing statement need be recorded or filed.

(Section 10.2. of the Series 1998 Resolution)

Deposit of Revenues.

Notwithstanding anything to the contrary in clause First of subdivision 1 of Section 5.06 of the Resolution, 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 thereof be deposited or paid by the Trustee as follows and in the following 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 Series 1998 Bonds payable on or prior to the next succeeding January 1,

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including the interest estimated by the Authority to be payable on any Series 1998 Bonds bearing interest at a Variable Interest Rate 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 Series 1998 Bonds payable on or prior to the next succeeding January 1 and (c) the purchase price or Redemption Price of Outstanding Series 1998 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 Series 1998 Bonds payable on or prior to the July 1 which is the last day of such Bond Year, including the interest estimated by the Authority to be payable on any Variable Interest Rate Bond on or prior to such 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, (b) the Sinking Fund Installments of Outstanding Series 1998 Bonds payable on or prior to the such July 1 and (c) the purchase price or Redemption Price of Outstanding Series 1998 Bonds theretofore contracted to be purchased or called for redemption pursuant to the Resolution on or prior to such July 1, plus accrued interest thereon to the date of purchase or redemption.

(Section 10.3 of the Series 1998 Resolution)

Tax Covenants Relating to the Internal Revenue Code of 1986.

The Authority covenants that, in order to maintain the exclusion from gross income for Federal income tax purposes of the interest on the Series 1998 Bonds, the Authority will satisfy, or take such actions as are necessary to cause to be satisfied, each provision of the Internal Revenue Code of 1986, as amended (the “Code”), or any predecessor or successor thereto, necessary to maintain such exclusion. In furtherance of this covenant, the Authority agrees to comply with the such written instructions as may be provided by Bond Counsel. In furtherance of the covenant contained in the preceding sentence, the Authority agrees to continually comply with the provisions of the “Tax Certificate as to Arbitrage and the Provisions of Sections 141 150 of the Internal Revenue Code of 1986” to be executed by the Authority in connection with the execution and delivery of the Series 1998 Bonds, as amended from time to time.

The Authority covenants that no part of the proceeds of the Series 1998 Bonds shall be used, directly or indirectly, to acquire any “investment property,” as defined in Section 148 of the Code, which would cause the Series 1998 Bonds to become “arbitrage bonds” within the meaning of Section 148 of the Code, as in effect from time to time, or under applicable Treasury regulations promulgated thereunder. In order to assure compliance with the rebate requirement of Section 148 of the Code, the Authority further covenants that it will pay or cause to be paid to the United States Treasury Department the amounts necessary to satisfy the requirements of Section 148(f) of the Code, and that it will establish such accounting procedures as are necessary to adequately determine, account for and pay over any such amount or amounts required to be paid to the United States in a manner consistent with the requirements of Section 148 of the Code, such covenant to survive the defeasance of the Series 1998 Bonds.

Notwithstanding any other provision of the Resolution to the contrary, so long as necessary in order to maintain the exclusion from gross income of interest on the Series 1998 Bonds for Federal income tax purposes, the covenants contained in this Section shall survive the payment of the Series 1998 Bonds and the interest thereon, including any payment or defeasance thereof pursuant to the Resolution.

(Section 12.1 of the Series 1998 Resolution)

SUMMARY OF CERTAIN PROVISIONS OF THE REIMBURSEMENT AGREEMENT

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APPENDIX E

SUMMARY OF CERTAIN PROVISIONS OF REIMBURSEMENT AGREEMENT

The following is a summary of certain provisions of the Reimbursement Agreement. This summary should not be regarded as a full statement of the Reimbursement Agreement or of the portions summarized. For a complete statement of the provisions thereof, reference is made to the Reimbursement Agreement in its entirety. Certain terms in this description of the Letter of Credit and the Reimbursement Agreement are defined below under the heading “Certain Definitions”.

Certain Provisions of the Reimbursement Agreement

The Reimbursement Agreement contains, among other things, (i) various representations and warranties of the College; (ii) provisions regarding reimbursement obligations with respect to drawings under the Letters of Credit and other payment obligations of the College (including, without limitation, commitment fees, annual fees and other standard fees and charges); (iii) provisions regarding the extension of the Term Loan and the repayment obligation with respect thereto; (iv) provisions regarding security for the College’s obligation to the Bank under the Reimbursement Agreement; (v) various affirmative and negative covenants of the College, (including, without limitation, certain financial covenants); and (vi) various conditions to the issuance of the Letters of Credit and the extension of the Term Loan, as well as conditions precedent to the Bank providing its required consent to Bond Advances.

Events of Default

The following is summary of the events constituting an “Event of Default” under the Reimbursement Agreement:

(a) Failure of the College to pay when due (i) any payment of principal, interest, commission, charge, expense or other amount referred to in certain provisions of the Reimbursement Agreement, or (ii) any other payment due and owing to the Bank by the College; or

(b) Subject to any applicable notice and/or grace periods, the occurrence of a default, a “Default,” “event of default,” “Event of Default” or any similarly denominated term under any of the Loan Documents or any of the Bond Documents; or

(c) The College defaults in the payment of principal or interest on any other Indebtedness for Money Borrowed in excess of \$750,000 in the aggregate (other than the indebtedness to the Bank arising under the Reimbursement Agreement) beyond any period of grace provided with respect thereto, or in the performance of any other agreement, term or conditions contained in any agreement under which any such obligation is created, if the effect of such default is to cause, or permit the holder or holders of such obligation to cause such obligation to become due prior to its stated maturity; or

(d) Any representation, warranty, certification or statement made by the College in the Reimbursement Agreement, or in any writing furnished by or on behalf of the College in connection with the loan by the Issuer under the Loan Agreement or pursuant to the Reimbursement Agreement, or any of the Loan Documents shall have been false, misleading or incomplete in any material respect on the date as of which made; or

(e) The College defaults in the performance or observance of (x) any agreement, covenant, term or condition other than as set forth in subparagraph (a) above and clause (y) of this subparagraph (e) binding on it contained in the Reimbursement Agreement or in any Security Instrument or in any other Loan Document and such default shall not have been remedied within thirty (30) days (or any shorter period set forth in such agreement or document) after written notice having been received by it from the Bank, provided that if such default cannot reasonably be cured within such time period, but the College shall have commenced efforts to cure and thereafter diligently prosecutes such cure to completion, then such period of time shall be automatically extended for additional thirty (30) days, provided that waiting an additional the thirty (30) days shall not have Material Adverse Effect or (y) certain financial and other covenants described in the Reimbursement Agreement, as to which covenants there shall be no notice and no grace period; or

(f) With respect to the College, (i) the commencement of its liquidation or dissolution or the suspension of its business or the entry of an order or decree approving or requiring the same, (ii) the filing by it of a voluntary petition in bankruptcy or a voluntary petition or an answer seeking reorganization, arrangement, readjustment of its debts or for any other relief under the Bankruptcy Reform Act of 1978, as amended (the "Bankruptcy Code"), or under any other insolvency act or law, state or federal, now or hereafter existing, or any other action by it indicating its consent to, approval of, or acquiescence in any such petition or proceeding, (iii) the application by it for (or the consent or acquiescence to) the appointment of a receiver or a trustee or an assignment for the benefit of creditors, or (iv) its inability or admission in writing of its inability to pay its debts as they mature; or

(g) With respect to the College, (i) the filing of an involuntary petition against it in bankruptcy or seeking reorganization, arrangement, readjustment of its debts or for any other relief under the Bankruptcy Code or under any other insolvency act or law, state or federal, now or hereafter existing, or the involuntary appointment of a receiver or trustee for it or for all or a substantial part of its property, and the continuance of any of such action for forty-five (45) days undismissed or undischarged, or (ii) the issuance of an order for attachment, execution or similar process against any substantial part of its property and the continuance of any such order for sixty (60) days undismissed or undischarged; or

(h) The entry of an order in any proceedings against the College decreeing the dissolution or split-up of the College; or

(i) The entry of a final judgment against the College, which with other outstanding final judgments against the College exceeds an aggregate of \$500,000 above the amount of any applicable insurance, if within thirty (30) days after entry thereof such judgment shall not have been discharged or execution thereof stayed pending appeal; or

(j) There occurs any abandonment or change in ownership of the Project; or

(k) The dissolution or termination of the existence of the College; or

(l) Any assets of the College are transferred, without the consent of the Bank, which consent shall not be unreasonably withheld, except for transfers of personal property which no longer needed by the College for the operation of its business, and which do not, during any fiscal year, exceed an aggregate amount of a then current value of more than Two Hundred Thousand Dollars (\$200,000); or

(m) Any Security Instrument shall for any reason (other than a failure by any secured party to file any necessary UCC continuation statement) cease to be in full force and effect or cease to be effective to give the Bank a valid and perfected priority security interest and lien upon the Collateral purported to be covered thereby, subject to no liens other than permitted liens under the Reimbursement Agreement; or

(n) There shall occur a Material Adverse Change in the condition (financial or otherwise) of the College.

Remedies of Bank Upon Default

Upon the occurrence of an Event of Default and at any time thereafter, the Bank may, subject to the terms of the Intercreditor Agreement (A) advise the Trustee that an Event of Default has occurred and instruct the Trustee to effect a mandatory tender of all Bonds, (B) declare all obligations of the College with respect to the Term Loan (other than obligations arising under an Interest Hedging Instrument which shall be controlled by the terms thereof) to be immediately due and payable, (C) increase the interest rate with respect to all amounts due and payable under the Reimbursement Agreement to the default rate of interest under the Reimbursement Agreement, (D) proceed under the Reimbursement Agreement, and under any of the Loan Documents and, to the extent therein provided, under the Bond Documents, in such order as it may elect, and exercise all other rights and remedies available to it at law; and the Bank shall have no obligation to proceed against any Person, to exhaust any other remedy or remedies which it may have, or to resort to any other or particular security, whether held by or available to the Bank.

Furthermore, upon an Event of Default, at the option of the Bank (except as provided for above with respect to subparagraph (f) and (g) above) an amount equal to the full face amount of the Letters of Credit shall be deemed payable in full by the College and it shall be deemed to be an obligation of the College to make full payment of such amount and the College shall pay to

the Bank in cash (or its equivalent) in an amount equal to the face amount of the Letters of Credit and all such cash (or equivalent) shall be held by the Bank as cash collateral for the obligations of the College under the Reimbursement Agreement and under the other Loan Documents. The College agrees that, upon an Event of Default, for all purposes of the Security Instruments and the exercise of remedies thereunder, the full face amount of the Letters of Credit shall be due and payable in full by the College. Any and all amounts realized by the Bank upon the exercise of collection efforts against the College or any Collateral may be held by the Bank as cash collateral for the obligations of the College under the Reimbursement Agreement and under the other Loan Documents. The College authorizes the Bank to take all steps necessary under the Resolution, in the name of the College, to cause the mandatory tender of the Bonds.

Certain Definitions

Set forth below are definitions of certain capitalized terms used in the foregoing description of the Reimbursement Agreement.

“**Bank**” means TD Bank, N.A.

“**Bank Mortgage**” means the Mortgage dated as of January 28, 2009 by the College in favor of the Bank, as same may be amended, restated, modified or supplemented from time to time.

“**Bonds**” means collectively the 1998 Bonds and the 2009 Bonds.

“**Bond Advance**” means any or all advances of the proceeds of the 2009 Bonds made by the Trustee under and pursuant to the Loan Agreement and the Resolution.

“**Bond Documents**” means, collectively, the Resolution, the Loan Agreement, certain remarketing agreements, a certain bond purchase agreement, a certain firm remarketing agreement, the Official Statement with respect to Bonds dated January [20,] 2009, and any certificates executed in connection with any of the foregoing, as any of the same may be amended, restated, modified or supplemented from time to time.

“**Collateral**” means all real and personal property of the College with respect to which the Issuer, the Trustee and/or Bank has been granted a lien or security interest pursuant to the Loan Documents or the Bond Documents.

“**College**” means Wagner College, a not-for-profit educational corporation under the laws of the State of New York.

“**Indebtedness for Money Borrowed**” means all indebtedness in respect of money borrowed, including (without limitation) the deferred purchase price of any property or asset, any unreimbursed drawings under letters of credit, any guaranty or other contingent obligation (including obligations under reimbursement agreements), any capital lease obligations, and any indebtedness evidenced by a promissory note, bond, debenture or similar written obligation for the payment of money (including any conditional sales or similar title retention agreements).

“Intercreditor Agreement” means the Amended and Restated Intercreditor Agreement dated January 28, 2009 by and among the Issuer, the Bank, The Bank of New York Mellon, as trustee for the Bonds, and The Bank of New York Mellon, as trustee for certain gross receipts, as may be amended, modified or supplemented from time to time.

“Interest Hedging Agreement” means any documentation evidencing any interest rate swap, interest “cap” or “collar” or any other interest rate hedging device or swap agreement (as defined in 11 U.S.C. § 101 et seq.) between the College and Bank (or any affiliate of Bank).

“Issuer” means the Dormitory Authority of the State of New York.

“Letters of Credit” means that certain letter of credit in the stated amount of [\$13,260,953] issued with respect to the 1998 Bonds and that certain letter of credit in the stated amount of [\$30,850,959] issued with respect to the 2009 Bonds, each in accordance with the terms of the Reimbursement Agreement.

“Loan Documents” means the Reimbursement Agreement, the term note delivered in connection with the Term Loan and the Security Instruments, as any of the same may be amended, restated, modified, or supplemented from time to time.

“Material Adverse Effect” or **“Material Adverse Change”** means a material adverse effect upon, or a material adverse change in, any of (i) the financial condition, operations, business, properties or prospects of the College; (ii) the ability of the College to perform under the Reimbursement Agreement or any other Loan Document in any material respect; (iii) the legality, validity or enforceability of the Reimbursement Agreement or any other Loan Document; or (iv) the perfection or priority of the liens of the Bank granted under the Bond Documents, the Reimbursement Agreement or any other Loan Document or the rights and remedies of the Bank under the Reimbursement Agreement or any other Loan Document (other than a change resulting from any act or omission by the Bank).

“Person” means an individual, partnership, corporation, limited liability company, trust, unincorporated organization, association, joint venture or a government or agency or political subdivision or instrumentality thereof.

“Pledge Agreements” means (i) the Bond Pledge Agreement dated as of January 28, 2009 among the College, the Trustee and the Bank delivered in connection with the 1998 Bonds and (ii) the Bond Pledge Agreement dated as of January 23, 2009 among College, the Trustee and the Bank delivered in connection with the 2009 Bonds, as amended, restated, modified, or supplemented from time to time in accordance with the terms thereof.

“Project” means the construction and equipping of a ±200-bed student residence facility (including any parking lots provided with respect thereto) on the project site.

“Reimbursement Agreement” means that certain Loan, Letter of Credit and Reimbursement Agreement by and between the College and the Bank dated as of January 1, 2009.

“Resolution” means that certain “Wagner College Revenue Bond Resolution” of the Issuer, adopted on April 29, 1998, as amended and restated September 24, 2008, as supplemented by the “Wagner College Series 1998 Resolution” of the Issuer, adopted on April 29, 1998, as amended and restated September 24, 2008 and as supplemented by the “Wagner College Series 2009 Resolution” of the Issuer as adopted on September 24, 2008.

“Security Instruments” means, collectively, the Loan Agreement, the 1998 Mortgage, the Bank Mortgage, the 2009 Mortgage, the Pledge Agreements, the Intercreditor Agreement and any and all other agreements or instruments now or hereafter executed and delivered by the College, or any other Person in connection with, or as security for the payment or performance of the Letters of Credit, the Bond Documents, the Reimbursement Agreement or any other Loan Document, as such agreements may be amended, restated, modified or supplemented from time to time in accordance with their respective terms.

“Term Loan” shall mean the \$25,000,000 term loan made by the Bank to the College pursuant to the Reimbursement Agreement.

“Trustee” shall mean The Bank of New York Mellon, as trustee for the Bonds, and any successor or successors and any other bank or trust company which may, at any time, be substituted in its place pursuant to the Resolution.

“1998 Bonds” shall mean the Issuer’s Wagner College Revenue Bonds, Series 1998 in the aggregate principal amount of \$16,600,000 pursuant to the “Wagner College Revenue Bond Resolution” of the Issuer adopted on April 29, 1998, as amended and restated September 24, 2008, as supplemented by the “Wagner College Series 1998 Resolution” of the Issuer, adopted on April 29, 1998, as amended and restated September 24, 2008.

“1998 Mortgage” means the Mortgage and Security Agreement dated as of July 30, 1998 by the College in favor of the Issuer, as assigned to the Trustee and the Bank pursuant to a certain Assignment Agreement dated January 28, 2009 by and among Issuer, the Bank and the Trustee, as the same may be amended, restated, modified or supplemented from time to time.

“2009 Bonds” shall mean the Issuer’s Wagner College Revenue Bonds, Series 2009 in the aggregate principal amount of \$30,500,000 pursuant to the “Wagner College Revenue Bond Resolution” of the Issuer adopted on April 29, 1998, as amended and restated September 24, 2008, as supplemented by the “Wagner College Series 2009 Resolution” of the Issuer, adopted on September 24, 2008.

“2009 Mortgage” means the Mortgage dated as of January 28, 2009 between the College in favor of the Issuer, as assigned to Trustee and the Bank pursuant to a certain Assignment Agreement dated January 28, 2009 by and among the Issuer, the Bank and the Trustee, as the same may be further amended, restated, modified or supplemented from time to time.

**FORM OF APPROVING OPINION
OF BOND COUNSEL FOR SERIES 2009 BONDS**

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[FORM OF APPROVING OPINION OF BOND COUNSEL]

Upon delivery of the Series 2009 Bonds, Hiscock & Barclay, LLP, Bond Counsel to the Authority, proposes to deliver its approving opinion in substantially the following form:

January __, 2009

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

Ladies and Gentlemen:

We have examined the record of proceedings relating to the issuance and sale of \$30,500,000 aggregate principal amount of the Dormitory Authority of the State of New York, Wagner College Revenue Bonds, Series 2009 (the "Series 2009 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, created and existing under and pursuant to the Constitution and statutes 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 (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 2009 Bonds are issued under and pursuant to the Constitution and the Act, and the Authority's Wagner College Revenue Bond Resolution, adopted by the Authority on April 29, 1998, as amended and restated pursuant to the Authority's Supplemental Resolution adopted on September 24, 2008 (as amended and restated, the "Resolution") and the Authority's Series 2008 Resolution Authorizing Up To \$30,500,000 Wagner College Revenue Bonds, Series 2009, adopted by the Authority on September 24, 2008 (the "Series 2009 Resolution" and, collectively with the Resolution, the "Resolutions") and the Bond Series Certificate relating to the Series 2009 Bonds, dated as of January 27, 2009, executed by an Authorized Officer of the Authority in accordance with the Resolutions (the "Series Certificate").

The Series 2009 Bonds are being issued for the purposes set forth in the Resolutions. Terms used but not otherwise defined herein shall have the respective meanings set forth in the Resolutions.

The Series 2009 Bonds are dated the date of closing and will bear interest at the Weekly Rate for the Weekly Rate Period until converted to another Rate Period. Interest on the Series 2009 Bonds will be payable on the first Business Day of each calendar month, commencing on March 2, 2009, for so long as the Series 2009 Bonds bear interest at the Weekly Rate. The Series

2009 Bonds are secured, mature, are payable and are subject to redemption prior to maturity and tender as provided in the Resolutions and the Series Certificate.

The Series 2009 Bonds will be issued as fully registered bonds in denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof.

The Authority has entered into a Loan Agreement dated as of April 29, 1998, as amended and restated as of September 24, 2008 (as amended, the "Loan Agreement") with Wagner College (the "Institution"), providing, among other things, for a loan by the Authority to the Institution of the proceeds of the Series 2009 Bonds for the purposes permitted thereby and by the Resolutions. Pursuant to the Loan Agreement, the Institution is required to make payments sufficient to pay principal, sinking fund installments and redemption price, if applicable, of and interest on the Series 2009 Bonds as the same become due, which payments have been pledged by the Authority to The Bank of New York Mellon, as trustee (the "Trustee") for the benefit of the holders of the Series 2009 Bonds.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Series 2009 Bonds in order that interest thereon be and remain excluded from gross income for federal income tax purposes under Section 103 of the Code. Included among these continuing requirements are certain restrictions and prohibitions on the use and investment of bond proceeds and other moneys or property, required ownership of the facilities financed with the Series 2009 Bonds by an organization described in Section 501(c)(3) of the Code or a governmental unit, and the rebate to the United States of certain earnings in respect of investments. In the Resolution, the Series 2009 Resolution, the Loan Agreement, the Tax Compliance Agreement by and between the Institution and the Authority, dated the date hereof (the "Tax Certificate"), the Authority and the Institution have covenanted to comply with certain procedures, and have made certain representations and certifications, designed to assure satisfaction of the requirements of the Code.

Based upon the foregoing, 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 2009 Bonds thereunder.

2. The Resolution has been duly and lawfully adopted by the Authority. The Series 2009 Resolution has been duly and lawfully adopted by the Authority in accordance with the provisions of the Resolution and is authorized and permitted by the Resolution. The Resolutions are in full force and effect, and are legal, valid and binding obligations of the Authority enforceable in accordance with their respective terms. The Resolutions create the valid pledge and the valid lien upon the Revenues which they purport to create, subject only to the provisions of the Resolutions permitting the withdrawal, payment, setting apart or appropriation thereof for the purposes and on the terms and conditions set forth in the Resolutions.

3. The Series 2009 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 2009 Bonds are legal, valid and binding special obligations of the Authority payable as provided in the Resolutions, are enforceable in accordance with their terms pursuant to the Resolutions and are entitled 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. The Loan Agreement has been duly authorized, executed and delivered by the Authority and, assuming due authorization, execution and delivery of the Loan Agreement by the Institution, constitutes a legal, valid and binding obligation of the Authority enforceable in accordance with its terms.

5. Under existing laws, regulations, administrative interpretations and court decisions:

(a) interest on the Series 2009 Bonds is excludable from gross income for federal income tax purposes pursuant to Section 103 of the Code;

(b) interest on the Series 2009 Bonds will not be treated as a specific item of tax preference for purposes of the alternative minimum tax provisions of the Code; provided, however, that the interest with respect to any such Bond owned by certain corporations will be included in such corporation's "adjusted current earnings", a portion of which will be taken into account in determining the alternative minimum tax liability, if any, of such corporation; and

(c) interest on the Series 2009 Bonds is exempt from State of New York, The City of New York and the City of Yonkers personal income taxes.

In rendering the opinions set forth in paragraph 5, we have assumed the accuracy of certain factual certifications of, and continuing compliance with, the provisions and procedures set forth in the Resolutions, the Series Certificate, the Loan Agreement and the Tax Certificate by the Authority and the Institution. In the event of the inaccuracy or incompleteness of any of the certifications made by the Authority or the Institution, or of the failure by the Authority or the Institution to comply with the provisions and procedures set forth in the Resolutions, the Series Certificate, the Loan Agreement and the Tax Certificate, the interest could become includable in gross income for federal income tax purposes retroactive to the date of original execution and delivery of the Series 2009 Bonds, regardless of the date on which the event causing such inclusion occurs. Further, although the interest is excludable from gross income for federal income tax purposes, receipt or accrual of the interest may otherwise affect the tax liability of a holder of a Series 2009 Bond. The tax effect of receipt or accrual of the interest will depend upon the tax status of a holder of a Series 2009 Bond and such holder's other items of income, deduction or credit. We express no opinion with respect to any such effect.

Except as stated in paragraph 5 above, we express no opinion as to any federal, state or local tax consequences arising with respect to the Series 2009 Bonds or the ownership or

disposition thereof. Furthermore, we express no opinion as to the effect of any action hereafter taken or not taken in reliance upon an opinion of counsel other than ourselves on the exclusion from gross income for federal income tax purposes of interest on the Series 2009 Bonds, or under state and local tax law.

This opinion is issued as of the date hereof, and we assume no obligation to update, revise or supplement this opinion as to the effect of any action hereafter taken or not taken, or any facts or circumstances, or any changes in law or in interpretations thereof, that may hereafter arise or occur, or for any other reason.

In rendering this opinion, we are advising you that the enforceability of rights and remedies with respect to the Series 2009 Bonds, the Resolutions and the Loan Agreement may be limited by bankruptcy, insolvency and other laws affecting creditors' rights or remedies heretofore or hereafter enacted and is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

We have examined a fully executed Series 2009 Bond and, in our opinion, the form of said Bond and its execution are regular and proper.

Very truly yours,

**ORIGINAL APPROVING OPINION OF BOND
COUNSEL FOR THE SERIES 1998 BONDS**

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July 30, 1998

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 \$16,600,000 aggregate principal amount of Wagner College Revenue Bonds, Series 1998 (the "Series 1998 Bonds") of 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 created and existing under the Dormitory Authority Act, being Chapter 524 of the Laws of New York of 1944, as amended (the "Act").

The Series 1998 Bonds are issued under and pursuant to the Act, the Wagner College Revenue Bond Resolution adopted by the Authority on April 29, 1998 (the "Resolution"), and the Wagner College Series 1998 Resolution Authorizing Wagner College Revenue Bonds, Series 1998 In An Amount Not Exceeding \$23,000,000 adopted by the Authority on April 29, 1998 (the "Series Resolution"). The Resolution and the Series Resolution are herein collectively referred to as the "Resolutions."

The Series 1998 Bonds are dated, mature, are payable, bear interest and are subject to redemption and tender as provided in the Resolutions and the Bond Series Certificate (as defined in the Resolution) of the Authority fixing the terms and details of the Series 1998 Bonds.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Series 1998 Bonds in order that interest on the Series 1998 Bonds be and remain not includable in gross income for Federal income tax purposes. These requirements include provisions which prescribe yield and other limits relative to the investment of proceeds of the Series 1998 Bonds and other amounts and require that certain earnings be rebated to the Federal government. Noncompliance with such requirements may cause interest on the Series 1998 Bonds to become subject to Federal income taxation retroactive to their date of issue, irrespective of the date on which such noncompliance occurs or is ascertained. The Authority and Wagner College (the "College") have covenanted to comply with certain provisions and procedures, pursuant to which the pertinent Code requirements can be satisfied. In rendering our opinion below in respect of the Federal income tax treatment of interest on the Series 1998 Bonds, we have assumed compliance with the aforementioned covenants.

We are of the opinion that:

1. The Authority has been duly created and is validly existing under the Act and has the right, power and authority to adopt the Resolutions and the Resolutions have been duly and

lawfully adopted by the Authority, are in full force and effect and are valid and binding upon the Authority and enforceable in accordance with their terms.

2. The Resolution creates the valid pledge which it purports to create of the proceeds of the sale of the Series 1998 Bonds, the Revenues and all funds other than the Arbitrage Rebate Fund established by the Resolution (as such terms are defined in the Resolution), including the investments thereof and the proceeds of such investments, if any, subject only to the provisions of the Resolution permitting the application thereof to the purposes and on the terms and conditions set forth in the Resolution.

3. The Series 1998 Bonds have been duly and validly authorized and issued by the Authority and are valid and binding special obligations of the Authority, payable solely from the sources provided therefor in the Resolutions.

4. The Series 1998 Bonds are not a debt of the State of New York, and the State of New York is not liable thereon, nor shall the Series 1998 Bonds be payable out of funds of the Authority other than those pledged for the payment of the Series 1998 Bonds.

5. The Loan Agreement dated as of April 29, 1998 between the Authority and the College (the "Loan Agreement") has been duly authorized, executed and delivered by the Authority and, assuming due authorization, execution and delivery thereof by the College, constitutes a legal, valid and binding obligation of the Authority enforceable in accordance with its terms.

6. Under existing statutes and court decisions, interest on the Series 1998 Bonds is not included in gross income for Federal income tax purposes pursuant to Section 103 of the Code and interest on the Series 1998 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 is, however, included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed with respect to such corporations. In addition, under existing statutes, interest on the Series 1998 Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

In rendering this opinion, we are advising you that the enforceability of rights and remedies with respect to the Series 1998 Bonds, the Resolutions and the Loan Agreement may be limited by bankruptcy, insolvency and other laws affecting creditors' rights or remedies heretofore or hereafter enacted and is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

We have examined an executed Series 1998 Bond and, in our opinion, the form of said Series 1998 Bond and its execution are regular and proper.

Very truly yours,

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