

NEW ISSUE



\$81,000,000		
DORMITORY AUTHORITY OF THE STATE OF NEW YORK		
BARNARD COLLEGE		
INSURED REVENUE BONDS		
\$48,420,000		\$32,580,000
Series 2007A		Series 2007B
Dated: Date of Delivery		Due July 1, as shown on the inside cover

Payment and Security: The Series 2007A Bonds and the Series 2007B Bonds (collectively, the "Series 2007 Bonds") are special obligations of the Dormitory Authority of the State of New York (the "Authority") payable solely from and secured by a pledge of (i) certain payments to be made under the Loan Agreement (the "Loan Agreement"), dated as of July 23, 2003, as amended and supplemented by Loan Agreement Supplement No. 1, dated as of May 30, 2007, between Barnard College (the "College") and the Authority, and (ii) all funds and accounts (except the Arbitrage Rebate Fund and any fund or account established for the payment of the purchase price of Option Bonds tendered for purchase) established under the Authority's Barnard College Insured Revenue Bond Resolution, adopted July 23, 2003 (the "Resolution") and the Series Resolutions, adopted on May 30, 2007, authorizing such Series (individually, the "Series 2007A Resolution" and the "Series 2007B Resolution," and collectively, the "Series 2007 Resolutions").

Payment of the principal and Sinking Fund Installments of and interest on the Series 2007 Bonds when due will be insured by a municipal bond new issue insurance policy to be issued simultaneously with the delivery of the Series 2007 Bonds by Financial Guaranty Insurance Company ("Financial Guaranty" or the "Insurer"). See "PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2007 BONDS – Bond Insurance."



The Loan Agreement is a general obligation of the College and requires the College to pay, in addition to the fees and expenses of the Authority and the Trustee, amounts sufficient to pay, when due, the principal, Sinking Fund Installments, if any, and Redemption Price of and interest on all Bonds issued under the Resolution, including the Series 2007 Bonds.

The Series 2007 Bonds will not be a debt of the State of New York (the "State") and the State will not be liable on the Series 2007 Bonds. The Authority has no taxing power.

Description: The Series 2007A Bonds will be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. Interest (due January 1, 2008 and each January 1 and July 1 thereafter) will be payable by check or draft mailed to the registered owners of the Series 2007A Bonds at their addresses as shown on the registration books held by the Trustee or, at the option of a holder of at least \$1,000,000 in principal amount of Series 2007A Bonds, by wire transfer to the holder of such Series 2007A Bonds each as of the close of business on the fifteenth day of the month next preceding an interest payment date. The principal or Redemption Price of the Series 2007A Bonds will be payable at the principal corporate trust office of The Bank of New York, in New York, New York, (the "Trustee" and "Paying Agent") or, with respect to Redemption Price, at the option of a holder of at least \$1,000,000 in principal amount of Series 2007A Bonds, by wire transfer to the holders of such Series 2007A Bonds as more fully described herein.

The Series 2007B Bonds will be issued initially as fully registered Variable Interest Rate Bonds and Option 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. For the period commencing on the date of delivery, the Series 2007B Bonds will bear interest at the Initial Rate for the Initial Rate Period ending on July 18, 2007. Thereafter, the Series 2007B Bonds will bear interest at a Weekly Rate unless and until converted to a different interest rate mode, as described herein. Except for a conversion from the Weekly Rate Mode to the Daily Rate Mode or from the Daily Rate Mode to the Weekly Rate Mode, the Series 2007B Bonds will be subject to mandatory tender on the conversion date. Interest on the Series 2007B Bonds in the Weekly Rate Mode or the Daily Rate Mode is payable in arrears, on the first Business Day of each calendar month.

While in the Weekly Rate Mode or the Daily Rate Mode, the Series 2007B Bonds are subject to optional and mandatory tender for purchase as described herein. In the event that such Series 2007B Bonds are not resold by the Remarketing Agent (as described herein) DEPPA BANK plc, acting through its New York Branch (the "Bank"), will, subject to certain conditions precedent, be obligated to purchase such Series 2007B Bonds pursuant to a standby bond purchase agreement (the "Liquidity Facility") among the College, The Bank of New York, in its capacity as tender agent (the "Tender Agent"), and the Bank.

PAYMENT OF THE PURCHASE PRICE OF THE SERIES 2007B BONDS BY THE TRUSTEE AS TENDER AGENT IS NOT INSURED BY THE INSURER. UNDER CERTAIN CIRCUMSTANCES DESCRIBED HEREIN, THE OBLIGATION OF THE BANK TO PURCHASE SERIES 2007B BONDS TENDERED FOR PURCHASE OR SUBJECT TO MANDATORY PURCHASE MAY BE TERMINATED OR SUSPENDED AND, IN SOME OF SUCH CIRCUMSTANCES, THE TERMINATION OR SUSPENSION OF SUCH RIGHT WILL BE IMMEDIATE AND WITHOUT WRITTEN NOTICE TO THE OWNERS OF THE SERIES 2007B BONDS. IN SUCH EVENT, (I) SUFFICIENT FUNDS MAY NOT BE AVAILABLE TO PURCHASE SUCH SERIES 2007B BONDS AND (II) THE RIGHT TO OPTIONALLY TENDER SERIES 2007B BONDS FOR PURCHASE MAY BE SUSPENDED.

This Official Statement, in general, describes the Series 2007B Bonds only during the Weekly Rate Mode and the Daily Rate Mode.

The Series 2007 Bonds will be issued initially under a Book-Entry Only System, registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"). Individual purchases of beneficial interests in the Series 2007 Bonds will be made in Book-Entry form (without certificates). So long as DTC or its nominee is the registered owner of the Series 2007 Bonds, payments of the principal, Redemption Price and Purchase Price of and interest on such Series 2007 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 SERIES 2007 BONDS – Book-Entry Only System" herein.

Redemption: The Series 2007 Bonds are subject to redemption and purchase in lieu of redemption prior to maturity as more fully described herein.

Tax Exemption: In the opinion of Squire, Sanders & Dempsey L.L.P., Bond Counsel, under existing law, (i) assuming compliance with certain covenants and the accuracy of certain representations, interest on the Series 2007 Bonds is excluded 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, and (ii) interest on the Series 2007 Bonds is exempt from personal income taxes imposed by the State of New York and political subdivisions thereof, including The City of New York and the City of Yonkers. Interest on the Series 2007 Bonds may be subject to certain federal taxes imposed only on certain corporations, including the corporate alternative minimum tax on a portion of that interest. For a more complete discussion of the tax aspects, see "PART 13 – TAX MATTERS" herein.

The Series 2007 Bonds are offered when, as, and if issued and received by the Underwriters. The offer of the Series 2007 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 Squire, Sanders & Dempsey L.L.P., New York, New York, Bond Counsel, and to certain other conditions. Certain legal matters will be passed upon for the College by its counsel, Bond, Schoenck & King, PLLC, Syracuse, New York. Certain legal matters will be passed upon for the Underwriters by their counsel, Hiscock & Barclay, LLP, Albany, New York. Certain legal matters will be passed upon for the Bank by its domestic counsel, Nixon Peabody LLP, New York, New York and by its Irish in-house counsel. The Authority expects to deliver the Series 2007 Bonds in definitive form in New York, New York, on or about July 11, 2007.

RBC Capital Markets⁽¹⁾

Raymond James & Associates, Inc.

June 13, 2007

⁽¹⁾ Sole underwriter for the Series 2007B Bonds.

\$81,000,000
DORMITORY AUTHORITY OF THE STATE OF NEW YORK
BARNARD COLLEGE
INSURED REVENUE BONDS

\$48,420,000 Series 2007A Bonds

\$31,460,000 Serial Bonds

<u>Due July 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP†</u>	<u>Due July 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP†</u>
2008	\$ 415,000	4.00%	3.70%	649903NL1	2017	\$1,730,000	5.00%	4.23%	649903NV9
2009	1,035,000	4.00	3.80	649903NM9	2018	1,820,000	5.00	4.30	649903NW7
2010	1,520,000	4.00	3.88	649903NN7	2019	1,910,000	5.00	4.35	649903NX5
2011	1,585,000	4.00	3.95	649903NP2	2020	2,005,000	5.00	4.39	649903NY3
2012	1,645,000	5.00	4.01	649903NQ0	2021	2,110,000	5.00	4.44	649903NZ0
2013	1,425,000	5.00	4.06	649903NR8	2022	2,215,000	5.00	4.47	649903PA3
2014	1,500,000	5.00	4.10	649903NS6	2023	2,320,000	5.00	4.51	649903PB1
2015	1,575,000	5.00	4.14	649903NT4	2024	2,440,000	5.00	4.54	649903PC9
2016	1,650,000	5.00	4.18	649903NU1	2025	2,560,000	5.00	4.55	649903PD7

\$16,960,000 5.00% Term Bonds due July 1, 2037 Yield 4.65% (CUSIP Number 649903NE5†)

\$32,580,000 Series 2007B Bonds

Price of all Series 2007B Bonds: 100% CUSIP† 649903NK3

† CUSIP numbers have been assigned by an independent company not affiliated with the Authority and are included solely for the convenience of holders of the Series 2007 Bonds. The Authority is not responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Series 2007 Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2007 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2007 Bonds.

No dealer, broker, salesperson or other person has been authorized by the Authority, the College or the Underwriters to give any information or to make any representations with respect to the Series 2007 Bonds, other than the information and representations contained in this Official Statement. If given or made, any such information or representations must not be relied upon as having been authorized by the Authority, the College or the Underwriters.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be a sale of the Series 2007 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 Insurer, the Bank and other sources that the Authority believes are reliable. Neither the Authority nor the Underwriters 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 Underwriters.

The College has reviewed the parts of this Official Statement describing the College, the Series 2007 Project, the Principal and Interest Requirements, the Refunding Plan, the Estimated Sources and Uses of Funds and Appendix B. As a condition to delivery of the Series 2007 Bonds, the College will certify that as of the date of this Official Statement and of delivery of the Series 2007 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 Insurer hereto contained under the caption "PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2007 BONDS – Bond Insurance" herein and in Appendix F, none of the information in this Official Statement has been supplied or verified by the Insurer, and the Insurer makes no representation or warranty, express or implied, as to (i) the accuracy or completeness of such information; (ii) the validity of the Series 2007 Bonds; or (iii) the tax status of the interest on the Series 2007 Bonds.

Other than with respect to information concerning the Bank hereto contained under the caption "PART 1 – INTRODUCTION – The Liquidity Facility," "PART 4 – THE BANK" and in "PART 5 – THE LIQUIDITY FACILITY" 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 Series 2007B Bonds; or (iii) the tax status of the interest on the Series 2007B Bonds.

The Underwriters have reviewed the information in this Official Statement pursuant to their responsibilities to investors under the federal securities law, but the Underwriters do not guarantee the accuracy or completeness of such information.

References in this Official Statement to the Act, the Resolution, the Series 2007 Resolutions, the Loan Agreement, the Bond Insurance Policy and the Liquidity Facility do not purport to be complete. Refer to the Act, the Resolution, the Series 2007 Resolutions, the Loan Agreement, the Bond Insurance Policy and the Liquidity Facility for full and complete details of their provisions. Copies of the Resolution, the Series 2007 Resolutions, the Loan Agreement, the Bond Insurance Policy and the Liquidity Facility are on file with the Authority and the Trustee.

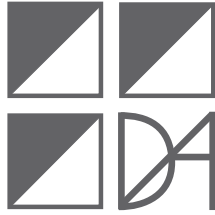
The order and placement of material in this Official Statement, including its appendices, are not to be deemed a determination of relevance, materiality or importance, and all material in this Official Statement, including its appendices, must be considered in its entirety.

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, the College or the Insurer have remained unchanged after the date of this Official Statement.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2007 BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE SERIES 2007 BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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DORMITORY AUTHORITY – STATE OF NEW YORK
DAVID D. BROWN, IV – EXECUTIVE DIRECTOR

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

OFFICIAL STATEMENT RELATING TO

\$81,000,000
DORMITORY AUTHORITY OF THE STATE OF NEW YORK
BARNARD COLLEGE
INSURED REVENUE BONDS

\$48,420,000
Series 2007A

\$32,580,000
Series 2007B

PART 1 — INTRODUCTION

Purpose of the Official Statement

The purpose of this Official Statement, including the cover page, the inside cover page and appendices, is to provide information about the Authority, the Insurer and the College, in connection with the offering by the Authority of \$81,000,000 aggregate principal amount of its Barnard College Insured Revenue Bonds, consisting of \$48,420,000 Series 2007A (the “Series 2007A Bonds”) and \$32,580,000 Series 2007B (the “Series 2007B Bonds”) and collectively with the Series 2007A Bonds, the “Series 2007 Bonds”).

The following is a brief description of certain information concerning the Series 2007 Bonds, the Authority, the Insurer and the College. A more complete description of such information and additional information that may affect decisions to invest in the Series 2007 Bonds is contained throughout this Official Statement, which should be read in its entirety. Certain terms used in this Official Statement are defined in Appendix A hereto.

Purpose of the Issue

The Series 2007A Bonds are being issued (i) to refund the outstanding portion of the Authority’s Barnard College Insured Revenue Bonds, Series 1996 maturing on and after July 1, 2008 (the “Refunded Bonds”), (ii) to pay for the Costs of the Series 2007 Project (as defined hereinafter), (iii) to pay a portion of the interest on the Series 2007A Bonds and (iv) to pay the Costs of Issuance of the Series 2007A Bonds, including a portion of the premium for the municipal new issue bond insurance policy (the “Bond Insurance Policy”) issued by the Insurer. See “PART 6 — THE SERIES 2007 PROJECT,” “PART 7 — THE REFUNDING PLAN” and “PART 8 — ESTIMATED SOURCES AND USES OF FUNDS.”

The Series 2007B Bonds are being issued (i) to pay for the Costs of the Series 2007 Project and (ii) to pay the Costs of Issuance of the Series 2007B Bonds, including a portion of the premium for the Bond Insurance Policy. See “PART 6 — THE SERIES 2007 PROJECT” and “PART 8 — ESTIMATED SOURCES AND USES OF FUNDS.”

Authorization of Issuance

The Resolution authorizes the issuance of Bonds pursuant to separate Series Resolutions for the benefit of the College. The Series 2007A Bonds and the Series 2007B Bonds will be issued pursuant to the Act, the Resolution, and the Series 2007A Resolution and the Series 2007B Resolution, respectively. In addition to the Series 2007 Bonds, the Resolution authorizes the issuance of other Series of Bonds (collectively, the “Bonds”) to pay other Costs of one or more Projects, to pay the Costs of Issuance of such Series of Bonds and to refund all or a portion of Outstanding Bonds or other notes or bonds of the Authority issued on behalf of the College. The Bonds

permitted to be issued under the Resolution include Capital Appreciation Bonds, Deferred Income Bonds, Option Bonds and Variable Interest Rate Bonds.

All Bonds issued under the Resolution will rank on a parity with each other and will be secured equally and ratably with each other. The Series 2007 Bonds are the second and third Series of Bonds to be issued under the Resolution. The first Series of Bonds issued under the Resolution was the Barnard College Insured Revenue Bonds, Series 2004 (the "Series 2004 Bonds"), which Series 2004 Bonds are currently Outstanding in the principal amount of \$28,915,000. Payment of principal and interest on the Series 2007 Bonds will be insured by the Bond Insurance Policy. Each Series of Bonds must be insured by a bond insurance policy. Each bond insurance policy, including the Bond Insurance Policy, insures the payment of principal and interest only with respect to the Series of Bonds for which such policy is issued. 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 prior to or after the scheduled delivery date of the Series 2007 Bonds. See "PART 3 — THE SERIES 2007 BONDS."

The Series 2007 Bonds

The Series 2007A Bonds are dated the date of delivery and bear interest from such date (payable January 1, 2008 and on each January 1 and July 1 thereafter) at the rates and will mature at the times set forth on the cover of this Official Statement. See "PART 3 — THE SERIES 2007 BONDS — Description of the Series 2007 Bonds."

The Series 2007B Bonds will be initially issued as Variable Interest Rate Bonds and Option Bonds in the Weekly Rate Mode, will be dated the date of delivery and will bear interest from such date for the Initial Rate Period set forth on the cover of this Official Statement at the Initial Rate set forth in the 2007B Bond Series Certificate. Thereafter, the Series 2007B Bonds will bear interest at Weekly Rates for Weekly Rate Periods unless and until converted to the Daily Rate Mode, Auction Rate Mode, Commercial Paper Mode, Term Rate Mode or Fixed Rate Mode. The Weekly Rate will be determined by the Remarketing Agent on each Wednesday, unless such Wednesday is not a Business Day, in which case the Rate will be determined on the immediately preceding Business Day. Interest on the Series 2007B Bonds while in the Weekly Rate Mode will be paid on the first Business Day of each month. At the direction of the College, the Series 2007B Bonds may be converted to bear interest at the Daily Rate, Auction Rate, Commercial Paper Rate, Term Rate or Fixed Rate, determined and payable as described in the Bond Series Certificate relating to the Series 2007B Bonds (the "2007B Bond Series Certificate"). *This Official Statement, in general, describes the Series 2007B Bonds only during the Weekly Rate Mode and the Daily Rate Mode.*

So long as the Series 2007B Bonds bear interest at the Weekly Rate and a Liquidity Facility is in effect, the Series 2007B Bonds are subject to tender for purchase at the option of the Holders on any Business Day upon seven days' notice to the Remarketing Agent and the Tender Agent during a Weekly Rate Period as described herein. During any period in which the Series 2007B Bonds bear interest at the Daily Rate and a Liquidity Facility is in effect, the Series 2007B Bonds are subject to tender for purchase at the option of the Holders on any Business Day upon giving notice on such date to the Remarketing Agent and Tender Agent as described herein. The Series 2007B Bonds will be subject to mandatory tender for purchase upon Conversion to a different Rate Mode (other than Conversion from the Weekly Rate Mode to the Daily Rate Mode or from the Daily Rate Mode to the Weekly Rate Mode), and upon the occurrence of certain events, including the expiration or termination of any Liquidity Facility then in effect, in any such case at a Purchase Price equal to the principal amount of the Series 2007B Bonds to be purchased, plus, except as described herein, accrued interest, if any, to the Purchase Date. Such purchases are payable from and in the following order of priority: first, proceeds of the remarketing of the Series 2007B Bonds; second, moneys obtained under a Liquidity Facility; and third, if necessary and available, from moneys provided by the College. For a more complete description of the Series 2007B Bonds, the determination of interest rates, conversion from the Weekly Rate Mode to other Rate Modes and optional and mandatory tenders, see "PART 3 — THE SERIES 2007 BONDS — Description of the Series 2007 Bonds."

Payment of the Series 2007 Bonds

The Series 2007 Bonds will be special obligations of the Authority payable solely from the Revenues, which consist of certain payments to be made by the College under the Loan Agreement. The Loan Agreement is a general obligation of the College. See "PART 2 — SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2007 BONDS — Payment of the Series 2007 Bonds."

Security for the Series 2007 Bonds

The Series 2007 Bonds will be secured by all funds and accounts established under the Resolution (with the exception of the Arbitrage Rebate Fund and any fund or account established for the payment of the purchase price of Option Bonds tendered for purchase). See “PART 2 — SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2007 BONDS — Security for the Series 2007 Bonds.”

Bond Insurance

The Insurer has committed to issue the Bond Insurance Policy guaranteeing the payment of the principal and Sinking Fund Installments of and the interest on the Series 2007 Bonds when due. See “PART 2 — SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2007 BONDS — Bond Insurance” and “Appendix F — Specimen Financial Guaranty Insurance Policy.”

The Liquidity Facility

While in the Weekly Rate Mode and the Daily Rate Mode, the Series 2007B Bonds are subject to optional and mandatory tender for purchase as described herein. The Bank has committed to deliver the Liquidity Facility, in the form of a standby bond purchase agreement, pursuant to which, and subject to certain conditions precedent, the Bank will be obligated to purchase Series 2007B Bonds tendered for purchase pursuant to the 2007B Bond Series Certificate and not remarketed. The Liquidity Facility will expire on July 12, 2017 unless renewed or extended or terminated pursuant thereto. Under certain circumstances, the Bank’s obligations under the Liquidity Facility may be suspended or terminated by the Bank at any time without notice. See “PART 4 — THE BANK” and “PART 5 — THE LIQUIDITY FACILITY.”

The Series 2007 Project

The Series 2007 Project consists of the demolition of an existing facility and the construction of a new approximately 100,000 square foot multi-purpose facility at the College as well as other campus-wide renovations and maintenance projects. See “PART 6 — THE SERIES 2007 PROJECT.”

The Refunding Plan

A portion of the proceeds of the Series 2007A Bonds will be used to refund the Refunded Bonds. Such proceeds and moneys will be used to purchase certain investment securities, the principal of and interest on which, when due, will be sufficient to pay the redemption price of and interest on the Refunded Bonds. See “PART 7 — THE REFUNDING PLAN.”

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 is located in New York City in Morningside Heights. See “PART 9 — THE COLLEGE” and “Appendix B — Financial Statements of Barnard 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 10 — THE AUTHORITY.”

PART 2 — SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2007 BONDS

Set forth below is a narrative description of certain contractual provisions relating to the source of payment of and security for the Series 2007 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 2007 Resolutions, the Bond Insurance Policy and the Liquidity Facility. Copies of the Loan Agreement, the Resolution, the Series 2007 Resolutions, the Bond Insurance Policy and the Liquidity Facility 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” and “Appendix F — Specimen Financial

Guaranty Insurance Policy” for a more complete statement of the rights, duties and obligations of the parties thereto.

Payment of the Series 2007 Bonds

The Series 2007 Bonds will be special obligations of the Authority. The principal of and interest on the Series 2007 Bonds are payable solely from the Revenues. The Revenues consist of the payments required to be made by the College under the Loan Agreement on account of the principal and Sinking Fund Installments of and interest on the Outstanding Bonds, including the Series 2007 Bonds. The Revenues and the right to receive them have been pledged to the Trustee for the benefit of the Holders of the Bonds, including the Series 2007 Bonds.

The Loan Agreement is a general, unsecured 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 2007 Bonds. Each payment is to be equal to a proportionate share of the interest coming due on the next succeeding interest payment date and of the principal and Sinking Fund Installments coming due on the next succeeding July 1. In addition, for Variable Interest Rate Bonds, the Loan Agreement obligates the College to make payments to satisfy interest on those Bonds 3 days prior to the interest payment date. The Loan Agreement also obligates the College to pay, at least 45 days prior to a redemption date or purchase date of Bonds called for redemption or contracted to be purchased, the amount, if any, required to pay the purchase price or Redemption Price of such Bonds. See “PART 3 — THE SERIES 2007 BONDS — Redemption and Purchase in Lieu of Redemption Provisions.”

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 the payment of the principal of and interest on the Series 2007 Bonds.

Security for the Series 2007 Bonds

The Series 2007 Bonds will be secured by the payments described above to be made under the Loan Agreement, 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 and any Debt Service Reserve Fund established in connection with a Series of Bonds). The security for the Series 2007 Bonds, except for payments pursuant to the Bond Insurance Policy, will also be for the benefit of all other Bonds issued under the Resolution, which Bonds will, regardless of their dates of issue, rank on a parity and be secured equally and ratably with each other and with the Series 2007 Bonds. With respect to the payment of principal and interest on Series 2007B Bonds that are Bank Bonds, Holders of Bank Bonds are entitled to the rights and privileges accorded Bondholders under the Resolution. See “Appendix D — Summary of Certain Provisions of the Resolution.”

Bond Insurance

Financial Guaranty has supplied the following information for inclusion in this Official Statement. No representation is made by the Authority or the Underwriters as to the accuracy or completeness of this information.

Payments Under the Policy

Concurrently with the issuance of the Series 2007 Bonds, Financial Guaranty will issue its Bond Insurance Policy. The Bond Insurance Policy unconditionally guarantees the payment of that portion of the principal or accreted value (if applicable) of and interest on the Series 2007 Bonds which has become due for payment, but shall be unpaid by reason of nonpayment by the Authority of the Series 2007 Bonds. Financial Guaranty will make such payments to U.S. Bank Trust National Association, or its successor as its agent (the “Fiscal Agent”), on the later of the date on which such principal, accreted value or interest (as applicable) is due or on the business day next following the day on which Financial Guaranty shall have received notice (in accordance with the terms of the Policy) from an owner of Series 2007 Bonds or the Trustee or Paying Agent (if any) of the nonpayment of such amount by the Authority. The Fiscal Agent will disburse such amount due on any Series 2007 Bond to its owner upon receipt by the Fiscal Agent of evidence satisfactory to the Fiscal Agent of the owner’s right to receive payment of the principal, accreted value or interest (as applicable) due for payment and evidence, including any appropriate instruments of assignment, that all of such owner’s rights to payment of such principal, accreted value or interest (as applicable) shall be vested in Financial Guaranty. The term “nonpayment” in respect of a Series 2007 Bond includes any payment of principal, accreted value or interest (as applicable) made to an owner of a Series 2007 Bond which has been recovered from such owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction.

Once issued, the Policy is non-cancelable by Financial Guaranty. The Bond Insurance Policy covers failure to pay principal (or accreted value, if applicable) of the Series 2007 Bonds on their stated maturity dates and their mandatory sinking fund redemption dates, and not on any other date on which the Series 2007 Bonds may have been otherwise called for redemption, accelerated or advanced in maturity. The Bond Insurance Policy also covers the failure to pay interest on the stated date for its payment. In the event that payment of the Series 2007 Bonds is accelerated, Financial Guaranty will only be obligated to pay principal (or accreted value, if applicable) and interest in the originally scheduled amounts on the originally scheduled payment dates. Upon such payment, Financial Guaranty will become the owner of the Series 2007 Bonds, appurtenant coupon or right to payment of principal or interest on such Series 2007 Bonds and will be fully subrogated to all of the Bondholder's rights thereunder.

The Bond Insurance Policy does not insure any risk other than Nonpayment by the Authority, as defined in the Policy. Specifically, the Bond Insurance Policy does not cover: (i) payment on acceleration, as a result of a call for redemption (other than mandatory sinking fund redemption) or as a result of any other advancement of maturity; (ii) payment of any redemption, prepayment or acceleration premium; or (iii) nonpayment of principal (or accreted value, if applicable) or interest caused by the insolvency or negligence or any other act or omission of the Trustee or Paying Agent, if any.

As a condition of its commitment to insure Series 2007 Bonds, Financial Guaranty may be granted certain rights under the bond documentation. The specific rights, if any, granted to Financial Guaranty in connection with its insurance of the Series 2007 Bonds may be set forth in the description of the principal legal documents appearing elsewhere in this Official Statement, and reference should be made thereto.

The Bond Insurance Policy is not covered by the Property/Casualty Insurance Security Fund specified in Article 76 of the New York Insurance Law.

Financial Guaranty Insurance Company

Financial Guaranty is a New York stock insurance corporation that writes financial guaranty insurance in respect of public finance and structured finance obligations and other financial obligations, including credit default swaps. Financial Guaranty is licensed to engage in the financial guaranty insurance business in all 50 states, the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands and the United Kingdom.

Financial Guaranty is a direct, wholly owned subsidiary of FGIC Corporation, a Delaware corporation. At March 31, 2007, the principal owners of FGIC Corporation and the approximate percentage of its outstanding common stock owned by each were as follows: The PMI Group, Inc. – 42%; affiliates of the Blackstone Group L.P. – 23%; and affiliates of the Cypress Group L.L.C. – 23%. Neither FGIC Corporation nor any of its stockholders or affiliates is obligated to pay any debts of Financial Guaranty or any claims under any insurance policy, including the Policy, issued by Financial Guaranty.

Financial Guaranty is subject to the insurance laws and regulations of the State of New York, where Financial Guaranty is domiciled, including New York's comprehensive financial guaranty insurance law. That law, among other things, limits the business of each financial guaranty insurer to financial guaranty insurance (and related lines); requires that each financial guaranty insurer maintain a minimum surplus to policyholders; establishes limits on the aggregate net amount of exposure that may be retained in respect of a particular issuer or revenue source (known as single risk limits) and on the aggregate net amount of exposure that may be retained in respect of particular types of risk as compared to the policyholders' surplus (known as aggregate risk limits); and establishes contingency, loss and unearned premium reserve requirements. In addition, Financial Guaranty is also subject to the applicable insurance laws and regulations of all other jurisdictions in which it is licensed to transact insurance business. The insurance laws and regulations, as well as the level of supervisory authority that may be exercised by the various insurance regulators, vary by jurisdiction.

At March 31, 2007, Financial Guaranty had net admitted assets of approximately \$3.947 billion, total liabilities of approximately \$2.828 billion, and total capital and policyholders' surplus of approximately \$1.119 billion, determined in accordance with statutory accounting practices ("SAP") prescribed or permitted by insurance regulatory authorities.

The unaudited financial statements as of March 31, 2007, and the audited consolidated financial statements of Financial Guaranty and subsidiaries, on the basis of U.S. generally accepted accounting principles ("GAAP"), as of December 31, 2006 and December 31, 2005, which have been filed with the Nationally Recognized Municipal Securities Information Repositories ("NRMSIRs"), are hereby included by specific reference in this Official Statement. Any statement contained herein under the heading "PART 2 — SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2007 BONDS — Bond Insurance," or in any documents included by specific

reference herein, shall be modified or superseded to the extent required by any statement in any document subsequently filed by Financial Guaranty with such NRMSIRs, and shall not be deemed, except as so modified or superseded, to constitute a part of this Official Statement. All financial statements of Financial Guaranty (if any) included in documents filed by Financial Guaranty with the NRMSIRs subsequent to the date of this Official Statement and prior to the termination of the offering of the Series 2007 Bonds shall be deemed to be included by specific reference into this Official Statement and to be a part hereof from the respective dates of filing of such documents.

The New York State Insurance Department recognizes only SAP for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the New York Insurance Law, and for determining whether its financial condition warrants the payment of a dividend to its stockholders. Although Financial Guaranty prepares both GAAP and SAP financial statements, no consideration is given by the New York State Insurance Department to financial statements prepared in accordance with GAAP in making such determinations. A discussion of the principal differences between SAP and GAAP is contained in the notes to Financial Guaranty's audited SAP financial statements.

Copies of Financial Guaranty's most recently published GAAP and SAP financial statements are available upon request to: Financial Guaranty Insurance Company, 125 Park Avenue, New York, NY 10017, Attention: Corporate Communications Department. Financial Guaranty's telephone number is (212) 312-3000.

Financial Guaranty's Credit Ratings

The financial strength of Financial Guaranty is rated "AAA" by Standard & Poor's, a Division of The McGraw-Hill Companies, Inc., "Aaa" by Moody's Investors Service, and "AAA" by Fitch Ratings. Each rating of Financial Guaranty should be evaluated independently. The ratings reflect the respective ratings agencies' current assessments of the insurance financial strength of Financial Guaranty. Any further explanation of any rating may be obtained only from the applicable rating agency. These ratings are not recommendations to buy, sell or hold the Series 2007 Bonds, and are subject to revision or withdrawal at any time by the rating agencies. Any downward revision or withdrawal of any of the above ratings may have an adverse effect on the market price of the Series 2007 Bonds. Financial Guaranty does not guarantee the market price or investment value of the Series 2007 Bonds nor does it guarantee that the ratings on the Series 2007 Bonds will not be revised or withdrawn.

Neither Financial Guaranty nor any of its affiliates accepts any responsibility for the accuracy or completeness of the Official Statement or any information or disclosure that is provided to potential purchasers of the Series 2007 Bonds, or omitted from such disclosure, other than with respect to the accuracy of information with respect to Financial Guaranty or the Policy under the heading "PART 2 — SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2007 BONDS — Bond Insurance." In addition, Financial Guaranty makes no representation regarding the Series 2007 Bonds or the advisability of investing in the Series 2007 Bonds.

Events of Default and Acceleration

The following are events of default under the Resolution: (i) a default by the Authority in the payment of the principal, Sinking Fund Installment or Redemption Price of any Bond; (ii) a default by the Authority in the payment of interest on any Bond; (iii) with respect to the Bonds of any Series, a default by the Authority in the due and punctual performance of any covenant or agreement contained in a Series Resolution authorizing the issuance of a Series of Bonds to comply with the provisions of the Code necessary to maintain the exclusion of interest on such Bonds from gross income for purposes of federal income taxation; (iv) a default by the Authority in the due and punctual performance of any covenants, conditions, agreements or provisions contained in the Bonds or in the Resolution or in any Series Resolution which continues for 30 days after written notice thereof is given to the Authority by the Trustee (such notice to be given in the Trustee's discretion or at the written request of the Holders of not less than 25% in principal amount of Outstanding Bonds) or if such default is not capable of being cured within 30 days, if the Authority fails to commence within 30 days and diligently prosecute the cure thereof; or (v) the Authority shall have notified 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 immediately due and payable (unless such declaration shall have been annulled). Unless all sums payable by the College under the Loan Agreement are declared immediately due and payable, an event of default under the Loan Agreement is not an event of default under the Resolution.

The Resolution provides that, if an event of default (other than as described in clause (iii) of the preceding paragraph) occurs and continues, the Trustee, upon the written request of Holders of not less than 25% in principal amount of the Outstanding Bonds, is to declare the principal of and interest on all the Outstanding Bonds to be due

and payable; provided however, that if the request of the Holders of Outstanding Bonds would not have been a sufficient percentage in principal amount but for the request of one or more Insurers who pursuant to the Resolution are deemed to be the Holders of the Bonds insured by them, the Trustee shall not give notice that the principal of and interest on the Outstanding Bonds is declared to be due and payable unless one or more Insurers shall have deposited with the Trustee a sum sufficient to pay the principal of and the interest on the Outstanding Bonds due upon such declaration. At the expiration of 30 days from the giving of such notice, such principal and interest will become due and payable. The Trustee may, with the written consent of the Holders of not less than 25% in principal amount of Bonds not yet due by their terms and then Outstanding, annul such declaration and its consequences under the terms and conditions specified in the Resolution with respect to such annulment. For all purposes, including the declaration of an event of default or the exercise of remedies under the Resolution, other than the exercise of any remedy as a result of the occurrence of an event of default described in clause (iii) of the first paragraph under this subheading, the Insurer of the Bonds of a Series will be deemed to be the Holder of such Bonds so long as such Insurer is not in default in the performance of its payment obligations under the policy of municipal bond insurance relating to the Bonds of such Series.

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

The Resolution provides that the Trustee is to give notice in accordance with the Resolution of each event of default known to the Trustee, to each Insurer and each Facility Provider as soon as practicable, to the College within five days and to the Holders within 30 days, in each case after obtaining knowledge of the occurrence thereof, unless such 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 principal, Sinking Fund Installment or Redemption Price of or interest on any of the Bonds, the Trustee will be protected in withholding such notice thereof to the Holders if the Trustee in good faith determines that the withholding of such notice is in the best interests of the Holders of the Bonds.

Issuance of Additional Bonds

In addition to the Series 2007 Bonds, the Resolution authorizes the issuance of other Series of Bonds to finance one or more projects and for other specified purposes, including to refund Outstanding Bonds or other notes or bonds of the Authority issued on behalf of the College. The Bonds which may be issued include Capital Appreciation Bonds, Deferred Income Bonds, Option Bonds and Variable Interest Rate Bonds. All Bonds issued under the Resolution will rank on a parity with each other and will be secured equally and ratably with each other. Each subsequent Series of Bonds will be secured by a bond insurance policy. Each policy of bond insurance, including the Bond Insurance Policy, guarantees the payment of principal and interest only with respect to the Series of Bonds for which such policy is issued. 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 prior to or after the scheduled delivery date of the Series 2007 Bonds. The Series 2007 Bonds will be the second and third Series of Bonds issued under the Resolution.

General

The Series 2007 Bonds will not be a debt of the State and the State will not be liable on the Series 2007 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 10 — THE AUTHORITY."

PART 3 — THE SERIES 2007 BONDS

Set forth below is a narrative description of certain provisions relating to the Series 2007 Bonds. These provisions have been summarized and this description does not purport to be complete. Reference should be made to the Resolution and the Loan Agreement, copies of which are on file with the Authority and the Trustee. See also "Appendix C — Summary of Certain Provisions of the Loan Agreement" and "Appendix D — Summary of Certain Provisions of the Resolution" for a more complete description of certain provisions of the Series 2007 Bonds.

General

The Series 2007 Bonds will be issued pursuant to the Resolution. The Series 2007 Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), pursuant to DTC’s Book-Entry Only System. Purchases of beneficial interests in the Series 2007 Bonds will be made in book-entry form, without certificates. So long as DTC or its nominee, Cede & Co., is the registered owner of the Series 2007 Bonds, payments of the principal and Redemption Price of and interest on the Series 2007 Bonds will be made by the Trustee directly to Cede & Co. Disbursement of such payments to the DTC Participants (as hereinafter defined) is the responsibility of DTC and disbursement of such payments to the Beneficial Owners of the Series 2007 Bonds is the responsibility of the DTC Participants and the Indirect Participants (as hereinafter defined). If at any time the Book-Entry Only System is discontinued for the Series 2007 Bonds, the Series 2007 Bonds will be exchangeable for fully registered Series 2007 Bonds in any authorized denominations of the same maturity without charge except the payment of any tax, fee or other governmental charge to be paid with respect to such exchange, subject to the conditions and restrictions set forth in the Resolution. See “PART 3 — THE SERIES 2007 BONDS — Book-Entry Only System” and “Appendix D — Summary of Certain Provisions of the Resolution.”

Description of the Series 2007 Bonds

Series 2007A Bonds

The Series 2007A Bonds are dated the date of delivery and bear interest from such date (payable January 1, 2008 and on each January 1 and July 1 thereafter) at the rates set forth on the inside cover of this Official Statement. The Series 2007A Bonds will be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. Interest on the Series 2007A Bonds will be payable by check mailed to the registered owners or, at the option of the registered owner of at least \$1,000,000 of Series 2007A Bonds, by wire transfer to the wire transfer address within the continental United States to which the registered owner has instructed the Trustee to make such payment at least five days prior to the Record Date. If the Series 2007A Bonds are not registered in the name of DTC or its nominee, Cede & Co., the principal and Redemption Price of the Series 2007A Bonds will be payable in lawful money of the United States of America at the principal corporate trust office of the Trustee.

Series 2007B Bonds – Weekly Rate and Daily Rate Modes

The Series 2007B Bonds will initially be issued as Variable Interest Rate Bonds and Option Bonds in the Weekly Rate Mode, will be dated the date of their delivery and will bear interest from such date through the Initial Rate Period at the Initial Rate. Thereafter, the Series 2007B Bonds will bear interest at Weekly Rates for Weekly Rate Periods unless and until converted to the Daily Rate Mode, Auction Rate Mode, Commercial Paper Mode, Term Rate Mode or Fixed Rate Mode, as set forth in the 2007B Bond Series Certificate. *This Official Statement, in general, describes the Series 2007B Bonds only during the Weekly Rate Mode and the Daily Rate Mode.*

The Series 2007B Bonds will be issued as fully registered Bonds in denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof during the Initial Rate Period and any Weekly Rate Period or the Daily Rate Period. The Series 2007B Bonds may be exchanged for other Series 2007B Bonds of any other authorized denominations upon payment of a charge sufficient to reimburse the Authority or the Trustee for any tax, fee or other governmental charge required to be paid with respect to such exchange and for the cost of preparing the new bond, and otherwise as provided in the Resolution. The Authority will not be obligated to make any exchange or transfer of Series 2007B Bonds (i) during the period beginning on the Record Date next preceding an interest payment date for such Series 2007B Bonds and ending on such interest payment date or (ii) after the date next preceding the date on which the Trustee commences selection of Series 2007B Bonds for redemption.

If the Series 2007B Bonds are not registered in the name of DTC or its nominee, Cede & Co., the principal, Purchase Price or Redemption Price of the Series 2007B Bonds will be payable at the principal corporate trust office of the Trustee, Paying Agent and Tender Agent upon presentation and surrender of such Series 2007B Bonds to it.

Interest Payment Dates

While the Series 2007B Bonds are in the Weekly Rate Mode or the Daily Rate Mode, interest will be paid on August 1, 2007 and on the first Business Day of each month thereafter and will be computed during the Initial Rate Period and any Weekly Rate Period or Daily Rate Period on the basis of a 365-day or 366-day year, as appropriate, for the actual number of days elapsed. The Record Date during any Daily Rate Period or Weekly Rate Period is the close of business on the Business Day preceding the interest payment date.

Rate Periods

The Initial Rate Period begins on the date of issue of the Series 2007B Bonds and will continue to and include July 18, 2007. During the Initial Rate Period, the Series 2007B Bonds will bear interest at the Initial Rate established by the Remarketing Agent. Beginning on July 19, 2007, the Series 2007B Bonds will bear interest at Weekly Rates for successive Weekly Rate Periods unless and until converted to another Rate Mode. Each Weekly Rate Period will begin on a Thursday and end on Wednesday of the following week or on an earlier Conversion Date to another Rate Mode. Any Daily Rate Period is a period commencing on a Business Day and extending to, but not including, the next succeeding Business Day, during which the Series 2007B Bonds bear interest at a Daily Rate.

Establishment of Rates

Each Weekly Rate will be the rate of interest that, in the Remarketing Agent's judgment, would be the lowest interest rate which would enable the Series 2007B Bonds to be sold at a price of par, plus accrued interest, if any, on the first day of the Weekly Rate Period. In no event may the interest rate on any Series 2007B Bond for any Weekly Rate Period exceed the Maximum Rate. The Weekly Rate is to be determined on each Wednesday no later than 5:00 p.m., New York City time, provided that if such Wednesday is not a Business Day, then such rate will be determined on the immediately preceding Business Day.

Each Daily Rate will be the rate of interest that, in the Remarketing Agent's judgment, would be the lowest interest rate which would enable the Series 2007B Bonds to be sold at a price of par, plus accrued interest, if any, on the day of the applicable Daily Rate Period. In no event may the interest rate on any Series 2007B Bond for any Daily Rate Period exceed the Maximum Rate. The Daily Rate is to be determined on each Business Day no later than 10:00 a.m., New York City time, provided that if such Day is not a Business Day, then such rate will be determined on the immediately preceding Business Day.

If for any reason the Weekly Rate for any Weekly Rate Period or the Daily Rate for any Daily Rate Period is not established by the Remarketing Agent, there is no Remarketing Agent, the Rate determined is invalid or unenforceable or, pursuant to the Remarketing Agreement, the Remarketing Agent is not then required to establish a Weekly Rate or Daily Rate, as applicable, then, pursuant to the 2007B Bond Series Certificate, the Weekly Rate for such Weekly Rate Period or the Daily Rate for such Daily Rate Period will be the applicable SIFMA Municipal Index. No Series 2007B Bond shall bear interest at a rate higher than the Maximum Rate. Bank Bonds shall bear interest at the Bank Bond Rate payable at the time, in the amount and in the manner as provided in the Liquidity Facility.

Conversion of Interest Rate Mode

The Authority, at the direction of the College and subject to certain conditions set forth in the 2007B Bond Series Certificate, may convert all or a portion of the Series 2007B Bonds from the Weekly Rate Mode to the Daily Rate Mode, Auction Rate Mode, Commercial Paper Mode, Term Rate Mode or Fixed Rate Mode.

If the Series 2007B Bonds are to be converted from the one Rate Mode to another Rate Mode, the Authority shall give written notice of such conversion (a "Conversion Notice") to the Trustee, the College, the Insurer, the Tender Agent, the Depository, the Remarketing Agent, the Bond Insurer and the Bank, not less than 15 days prior to the Conversion Date. As soon as practicable after receipt of the Conversion Notice, but in any event not more than three (3) days after the date such Conversion Notice is received, the Tender Agent shall give notice by first-class mail to the Holders of the Series 2007B Bonds to be converted.

The notice to Holders must set forth, among other things, (a) the Conversion Date, (b) the Rate Mode or Modes that will be effective on such Conversion Date, (c) that the conversion will not occur unless certain conditions described in the 2007B Bond Series Certificate have been satisfied, (d) that, except as set forth in the 2007B Bond Series Certificate with respect to the Conversion of Series 2007B Bonds from the Weekly Rate Mode to the Daily Rate Mode or from the Daily Rate Mode to the Weekly Rate Mode, the Series 2007B Bonds shall be subject to mandatory tender for purchase on the Conversion Date at the Purchase Price, (e) that, except as set forth in the 2007B Bond Series Certificate with respect to the conversion of Series 2007B Bonds from the Weekly Rate Mode to the Daily Rate Mode or from the Daily Rate Mode to the Weekly Rate Mode, if and to the extent that there shall be on deposit with the Tender Agent on the Conversion Date moneys sufficient to pay the Purchase Price of the Series 2007B Bonds, such Series 2007B Bonds not delivered to the Tender Agent on the Conversion Date shall be deemed to have been properly tendered for purchase and shall cease to constitute or represent a right on behalf of the Holder thereof to the payment of principal of and interest thereon and shall represent and constitute only the right to payment of the Purchase Price on deposit with the Tender Agent, without interest accruing thereon from and after

the Conversion Date, and (f) that upon conversion to the Commercial Paper Mode, the Auction Rate Mode, the Term Rate Mode or the Fixed Rate Mode, while in such modes, the Series 2007B Bonds will no longer be subject to optional tender for purchase.

In the event that (i) the requirements for Conversion have not been met on a scheduled Conversion Date, (ii) on the Business Day preceding a scheduled Conversion Date, the Remarketing Agent notifies the Trustee, the Authority, the College, the Insurer and the Bank that the Series 2007B Bonds cannot be remarketed, or (iii) on or prior to the Business Day preceding a Conversion Date, the Authority notifies the Remarketing Agent, the Bank, the Insurer and the Trustee of its election not to convert such Series 2007B Bonds to the new Rate Mode, then the Series 2007B Bonds shall automatically convert to (or remain in) the Weekly Rate Mode upon satisfaction of the applicable requirements set forth in the 2007B Bond Series Certificate or shall be converted to such other Rate Mode as the Authority shall have specified upon satisfaction of the applicable requirements of the 2007B Bond Series Certificate.

If less than all of the Series 2007B Bonds are to be converted to a new Rate Mode or Modes, the particular Series 2007B Bonds that are to be converted will be selected by the Trustee in such manner as the Trustee deems appropriate.

Optional Tender – Weekly Rate Mode and Daily Rate Mode

The Holders of Series 2007B Bonds in the Weekly Rate Mode or the Daily Rate Mode (other than Bank Bonds and Series 2007B Bonds owned by or on behalf of the College), for so long as a Liquidity Facility is in effect, may elect to tender their Series 2007B Bonds (or portions thereof in Authorized Denominations) for purchase at the Purchase Price on any Business Day (an “Optional Tender Date”).

To exercise the tender option for Series 2007B Bonds in the Weekly Rate Mode, a Bondholder must deliver to the Remarketing Agent and Tender Agent at their principal offices, not later than 5:00 p.m., New York City time, on the seventh calendar day preceding the Optional Tender Date, written notice which states (i) the aggregate principal amount in an Authorized Denomination of each Series 2007B Bond to be purchased, and (ii) that each such Series 2007B Bond (or portion thereof in an Authorized Denomination) is to be purchased on the Optional Tender Date.

To exercise the tender option for Series 2007B Bonds in the Daily Rate Mode, a Bondholder must deliver to the Remarketing Agent and Tender Agent at their principal offices, not later than 10:30 a.m., New York City time, on the Optional Tender Date, written notice which states (i) the aggregate principal amount in an Authorized Denomination of each Series 2007B Bond to be purchased, and (ii) that each such Series 2007B Bond (or portion thereof in an Authorized Denomination) is to be purchased on the Optional Tender Date.

As long as the Series 2007B Bonds are registered in the name of Cede & Co., as nominee of DTC, the tender option may only be exercised by a DTC participant (as hereinafter discussed) on behalf of a Beneficial Owner (as hereinafter defined) of Series 2007B Bonds by giving written notice of its election to tender at the times and in the manner described above. An election to tender a Series 2007B Bond for purchase is irrevocable and binding on the Holder or DTC participant making such election, the Beneficial Owner on whose behalf the notice was given and on any transferee thereof.

If the obligation of the Bank to purchase Tendered Bonds is terminated or suspended, the right of a Holder to optionally tender Series 2007B Bonds will be suspended until the obligation is reinstated or a substitute Liquidity Facility is delivered in accordance with the 2007B Bond Series Certificate.

Mandatory Tender

Series 2007B Bonds in the Weekly Rate Mode and the Daily Rate Mode shall be subject to mandatory tender and purchase at the Purchase Price (each a “Mandatory Tender Date”): (i) on the Conversion Date, other than Conversion to or from the Weekly Rate Mode from or to the Daily Rate Mode, (ii) on a Business Day that is not less than three (3) Business Days prior to the termination of the then current Liquidity Facility unless the termination date has been extended at least twenty (20) days prior to such termination date, (iii) on the effective date of a substitute Liquidity Facility delivered with respect to the Series 2007B Bonds (or if such day is not a Business Day, on the immediately preceding Business Day), and (iv) on a Business Day that is not less than one Business Day prior to the termination of the then current Liquidity Facility specified in a Default Notice delivered by the Bank or its agent in accordance with the provisions of the Liquidity Facility. Notice of mandatory tender shall be given in accordance with the 2007B Bond Series Certificate.

Upon satisfaction of the requirements set forth in the 2007B Bond Series Certificate and the Liquidity Facility relating thereto, the College, with the consent of the Authority and the Insurer, may replace the existing Liquidity Facility with a substitute Liquidity Facility.

Delivery of Tendered Bonds

Series 2007B Bonds or portions thereof, other than Series 2007B Bonds registered in the name of DTC or its nominee, Cede & Co., for which an election to tender has been made and Series 2007B Bonds subject to mandatory tender are to be delivered and surrendered to the Tender Agent at its principal corporate trust office in The City of New York on the Optional Tender Date or Mandatory Tender Date. If on the Optional Tender Date or the Mandatory Tender Date there is on deposit with the Tender Agent sufficient moneys to pay the Purchase Price of the Tendered Bonds, such Bonds will be deemed tendered without physical delivery to the Trustee and the Holders or DTC Participants and Beneficial Owners of such Bonds will have no further rights thereunder other than the right to the payment of the Purchase Price.

The Purchase Price for Tendered Bonds is payable from the following sources and in the following order of priority: first, the moneys in the Remarketing Proceeds Account; second, the moneys in the Purchase Account made available pursuant to a Liquidity Facility if one is then in effect; and third, the moneys made available by the College (although there can be no assurance that the College will have sufficient moneys available to it in the event remarketing proceeds and any amounts available pursuant to a Liquidity Facility are insufficient therefor). The Authority has no obligation to pay the Purchase Price out of any other moneys. Moneys held in the Remarketing Proceeds Account and the Purchase Account are held in trust and used exclusively for the benefit of Holders of Tendered Bonds to secure the payment of the Purchase Price of such Tendered Bonds. As described herein, under certain circumstances, the Bank is not required to purchase Series 2007B Bonds that have not been successfully remarketed.

Remarketing and Purchase

The Remarketing Agent is required to use its best efforts to remarket Tendered Bonds. However, the Remarketing Agent is not required to remarket any Tendered Bonds under certain circumstances, including, among others, (i) if upon such remarketing the amount available to be drawn under the Liquidity Facility for payment of the Purchase Price of Outstanding Series 2007B Bonds is less than the minimum amount determined in accordance with the 2007B Bond Series Certificate, (ii) if the Liquidity Facility will expire or terminate within twenty (20) days after the Tender Date of the Tendered Bonds, unless and until the Liquidity Facility has been extended or a substitute Liquidity Facility has been delivered to the Tender Agent in accordance with the 2007B Bond Series Certificate, (iii) if the Bank has delivered to the Remarketing Agent a Default Notice which remains in effect and has not been cancelled or rescinded, or (iv) upon the occurrence or existence of certain other conditions described in the 2007B Bond Series Certificate and Remarketing Agreement.

Tendered Bonds will be purchased from the Holders on the Mandatory Tender Date or Optional Tender Date at the Purchase Price. No Series 2007B Bond tendered for purchase at the option of the Holder which does not strictly conform to the description contained in the notice of tender will be purchased from its Holder.

Payment of Purchase Price

The Purchase Price of Series 2007B Bonds tendered for purchase shall be equal to the principal amount thereof, plus accrued interest, if any, thereon to the Purchase Date and shall be payable upon delivery of such Series 2007B Bond to the Tender Agent; provided that such Series 2007B Bond must be delivered to the Tender Agent on or prior to 11:30 a.m. (New York City time) on the Purchase Date for payment by the close of business on the Purchase Date in immediately available funds; provided, however, that if a Purchase Date is an Interest Payment Date, interest will be paid in the ordinary course.

Weekly Rate Period Table

The following Weekly Rate Period Table is provided for the convenience of Holders of the Series 2007B Bonds. The information contained in the chart is not intended to be comprehensive. Reference is made to the above description and to the Resolution and the 2007B Bond Series Certificate for a more complete description.

Weekly Rate Period Table

Duration of Rate Period	Seven days beginning on a Thursday to and including the following Wednesday
Interest Payment Dates	The first Business Day of each month and the Conversion Date
Interest Rate Determination Dates	Each Wednesday by 5:00 P.M. New York City time unless such Wednesday is not a Business Day, in which case the Rate shall be set on the immediately preceding Business Day
Optional Tender Date	Any Business Day
Bondholder Notice of Tender Due	No later than 5:00 P.M. New York City time on the seventh calendar day preceding the Optional Tender Date

Daily Rate Period Table

The following Daily Rate Period Table is provided for the convenience of Holders of the Series 2007B Bonds. The information contained in the chart is not intended to be comprehensive. Reference is made to the above description and to the Resolution and the 2007B Bond Series Certificate for a more complete description.

Daily Rate Period Table

Duration of Rate Period	Each Business Day to, but not including, the next succeeding Business Day
Interest Payment Dates	The first Business Day of each month and the Conversion Date
Interest Rate Determination Dates	Each Business Day by 10:00 A.M. New York City time unless such Day is not a Business Day, in which case the Rate shall be set on the immediately preceding Business Day
Optional Tender Date	Any Business Day
Bondholder Notice of Tender Due	No later than 10:30 A.M. New York City time on the Optional Tender Date

Without the consent of the Holders of the Series 2007B Bonds, but with the consent of the Insurer, the 2007B Bond Series Certificate may be amended: (i) on any Mandatory Tender Date; and (ii) at any time during the Daily Rate Mode and the Weekly Rate Mode provided that notice of such amendment is given by first class mail to each Holder of Series 2007B Bonds at least 30 days prior to the effective date of such amendment; provided, however, no such amendment will become effective without the prior written consent of the Bank to the extent such amendment would affect its rights, duties or obligations thereunder.

Redemption and Purchase in Lieu of Redemption Provisions

The Series 2007 Bonds are subject to special, optional and mandatory redemption and purchase in lieu of redemption as described below.

Special Redemption of the Series 2007 Bonds

The Series 2007 Bonds are subject to redemption prior to maturity, in whole or part, at 100% of the principal amount thereof at the option of the Authority on any interest payment date (i) from proceeds of condemnation or insurance award, which proceeds are not used to repair, restore or replace the Series 2007 Project and (ii) from unexpended proceeds of Series 2007 Bonds upon the abandonment of all or a portion of the Series 2007 Project due to legal or regulatory impediment. See “PART 6 — THE SERIES 2007 PROJECT.”

Optional Redemption of the Series 2007A Bonds

The Series 2007A Bonds maturing on or before July 1, 2017 are not subject to optional redemption prior to maturity. The Series 2007A Bonds maturing on or after July 1, 2018 are subject to redemption prior to maturity on or after July 1, 2017 in any order at the option of the Authority, as a whole or in part at any time, at a price of par plus accrued interest to the redemption date.

Optional Redemption of the Series 2007B Bonds

While the Series 2007B Bonds bear interest at a Weekly Rate or a Daily Rate, the Series 2007B Bonds are subject to optional redemption prior to maturity at the election of the Authority, in whole or in part, on any Business Day at a redemption price equal to 100% of the principal amount of the Series 2007B Bonds or portions thereof to be redeemed plus accrued interest, if any, to the date of redemption.

Mandatory Redemption of the Series 2007A Bonds

The Series 2007A Bonds are also subject to redemption, in part, on each July 1 of the years and in the respective principal amounts set forth below, at 100% of the principal amount thereof, plus accrued interest to the date of redemption, from mandatory Sinking Fund Installments which are required to be made in amounts sufficient to redeem on July 1 of each year the principal amount of Series 2007A Bonds specified for each of the years shown below:

**Series 2007A Term Bonds
Maturing on July 1, 2037**

<u>Year</u>	<u>Sinking Fund Installments</u>	<u>Year</u>	<u>Sinking Fund Installments</u>	<u>Year</u>	<u>Sinking Fund Installments</u>
2026	\$2,690,000	2030	\$1,165,000	2034	\$1,415,000
2027	1,005,000	2031	1,220,000	2035	1,485,000
2028	1,055,000	2032	1,280,000	2036	1,560,000
2029	1,105,000	2033	1,345,000	2037	1,635,000†

† Final maturity.

Mandatory Redemption of the Series 2007B Bonds

The Series 2007B Bonds are subject to mandatory sinking fund redemption, in part, on July 1 of each of the following years and in the respective principal amounts set forth below, at a redemption price of 100% of the principal amount or portions thereof, plus accrued interest, if any, to the date of redemption:

<u>Year</u>	<u>Sinking Fund Installments</u>	<u>Year</u>	<u>Sinking Fund Installments</u>	<u>Year</u>	<u>Sinking Fund Installments</u>
2008	\$605,000	2018	\$ 845,000	2028	\$1,275,000
2009	585,000	2019	885,000	2029	1,330,000
2010	610,000	2020	920,000	2030	1,385,000
2011	635,000	2021	960,000	2031	1,445,000
2012	665,000	2022	1,000,000	2032	1,505,000
2013	690,000	2023	1,040,000	2033	1,565,000
2014	720,000	2024	1,085,000	2034	1,635,000
2015	745,000	2025	1,130,000	2035	1,705,000
2016	780,000	2026	1,175,000	2036	1,775,000
2017	810,000	2027	1,225,000	2037	1,850,000†

† Final maturity.

Notwithstanding the foregoing, while in the Weekly Rate Mode or the Daily Rate Mode, the date on which a Sinking Fund Installment is due will be either the date above or, if such date is not an interest payment date, the immediately preceding interest payment date.

General Provisions relating to Mandatory Redemption of the Series 2007 Bonds

The Authority may from time to time direct the Trustee to purchase Series 2007 Bonds with moneys in the Debt Service Fund, at or below par plus accrued interest to the date of such purchase, and apply any Series 2007 Bonds so purchased as a credit, at 100% of the principal amount thereof, against and in fulfillment of a required Sinking Fund Installment on the Series 2007 Bonds of the same Series and maturity. The College also may purchase Series 2007 Bonds and apply any Series 2007 Bonds so purchased as a credit, at 100% of the principal amount thereof, against and in fulfillment of a required Sinking Fund Installment on the Series 2007 Bonds of the same Series and maturity. To the extent the Authority's obligation to make Sinking Fund Installments in a particular year is fulfilled through such purchases or, in the case of the Series 2007B Bonds, pursuant to the provisions of the

2007B Bond Series Certificate, the likelihood of redemption through mandatory Sinking Fund Installments of any Bondholder's Series 2007 Bonds of the Series and maturity so purchased will be reduced for such year.

Notice of Redemption of the Series 2007A Bonds

The Trustee is to give notice of the redemption of the Series 2007A Bonds in the name of the Authority, by first-class mail, postage prepaid, not less than 30 days nor more than 60 days prior to the redemption date to the registered owners of any Series 2007A Bonds which are to be redeemed, at their last known addresses appearing on the registration books of the Authority not more than ten (10) Business Days prior to the date such notice is given. The failure of any owner of a Series 2007A Bond to be redeemed to receive notice of redemption will not affect the validity of the proceedings for the redemption of such Series 2007A Bond. Any notice of redemption, other than a notice for special redemption or mandatory redemption, may state that the redemption is conditioned upon the receipt by the Trustee on or prior to the redemption date of moneys sufficient to pay the Redemption Price of such Series 2007A Bonds to be redeemed and that if such moneys are not so received such notice shall be of no force or effect and such Series 2007A Bonds shall not be required to be redeemed.

If directed in writing by an Authorized Officer of the Authority, the Trustee will publish or cause to be published such notice in an Authorized Newspaper not less than 30 days nor more than 60 days prior to the redemption date, but publication is not a condition precedent to such redemption and failure to publish such notice or any defect in such notice or publication will not affect the validity of the proceedings for the redemption of such Series 2007A Bonds

If on the redemption date moneys for the redemption of the Series 2007A Bonds of like maturity to be redeemed, together with interest thereon to the redemption date, are held by the Trustee so as to be available for payment of the redemption price, and if notice of redemption has been mailed, then interest on the Series 2007A Bonds of such maturity will cease to accrue from and after the redemption date and such Series 2007A Bonds will no longer be considered to be Outstanding under the Resolution.

Notice of Redemption of the Series 2007B Bonds

The Trustee is to give notice of the redemption of the Series 2007B Bonds bearing interest at a Weekly Rate or the Daily Rate in the name of the Authority which notice shall be given by first-class mail, postage prepaid, not less than 15 days nor more than 30 days prior to the redemption date to the registered owners of any Series 2007B Bonds which are to be redeemed, at their last known addresses appearing on the registration books of the Authority not more than ten (10) Business Days prior to the date such notice is given. The failure of any owner of a Series 2007B Bond to be redeemed to receive notice of redemption thereof will not affect the validity of the proceedings for the redemption of such Series 2007B Bond. Any such notice will also state that, in addition to any other condition, that the redemption is conditioned upon the availability on the redemption date of the Available Moneys sufficient to pay the Redemption Price of the Series 2007B Bonds to be redeemed.

If directed in writing by an Authorized Officer of the Authority, the Trustee will publish or cause to be published such notice in an Authorized Newspaper not less than 15 days nor more than 30 days prior to the redemption date, but publication is not a condition precedent to such redemption and failure to publish such notice or any defect in such notice or publication will not affect the validity of the proceedings for the redemption of such Series 2007B Bonds

If on the redemption date moneys for the redemption of the Series 2007B Bonds of like maturity to be redeemed, together with interest thereon to the redemption date, are held by the Trustee so as to be available for payment of the redemption price, and if notice of redemption shall have been mailed, then interest on the Series 2007B Bonds of such maturity will cease to accrue from and after the redemption date and such Bonds will no longer be considered to be Outstanding under the Resolution.

Selection of Bonds to be Redeemed

In the case of redemptions of Series 2007 Bonds, other than mandatory redemptions, the Authority will select the maturities of the Series 2007 Bonds to be redeemed; provided, however, that Bank Bonds will be selected prior to any other Series 2007B Bonds. If less than all of the Series 2007 Bonds of a maturity are to be redeemed, the Series 2007 Bonds of such maturity to be redeemed will be selected by the Trustee, by lot, using such method of selection as the Trustee shall consider proper in its discretion; provided, however, that within a maturity, Bank Bonds will be selected before any other Series 2007B Bonds.

Purchase in Lieu of Optional Redemption of the Series 2007A Bonds

The Series 2007A Bonds maturing on or before July 1, 2017 are not subject to purchase in lieu of optional redemption prior to maturity at the election of the College. The Series 2007A Bonds maturing on or after July 1, 2018 are subject to purchase in lieu of optional redemption prior to maturity, at the election of the College with the prior written consent of the Authority and the Insurer, on or after July 1, 2017, in any order, in whole or in part at any time, at an optional purchase price equal to 100% of the principal amount thereof to be purchased, plus accrued interest to the date set for purchase. The optional purchase price cannot be paid with moneys made available by the Bank.

Purchase in Lieu of Optional Redemption of the Series 2007B Bonds

While the Series 2007B Bonds bear interest at a Weekly Rate or a Daily Rate, the Series 2007B Bonds are subject to purchase prior to maturity at the election of the College, with the consent of the Authority and the Insurer, in whole or in part, on any Business Day at an optional purchase price equal to 100% of the principal amount thereof to be purchased plus accrued interest, if any, to the purchase date. The optional purchase price cannot be paid with moneys made available by the Bank.

Notice of Purchase in Lieu of Optional Redemption of the Series 2007A Bonds and its Effect

If the College elects to purchase Series 2007A Bonds, notice of such purchase of the Series 2007A Bonds will be given in the name of the College to the registered owners of the Series 2007A Bonds to be purchased by first-class mail, postage prepaid, not less than 30 days or more than 60 days prior to the purchase date specified in such notice. The Series 2007A Bonds to be purchased are required to be tendered on the purchase date to the Trustee. Series 2007A Bonds to be purchased that are not so tendered will be deemed to have been properly tendered for purchase. In the event the Series 2007A Bonds are called for purchase in lieu of an Optional Redemption, such purchase shall not operate to extinguish the indebtedness of the Authority evidenced thereby or modify the terms of the Series 2007A Bonds and such Series 2007A Bonds need not be cancelled, but shall remain Outstanding under the Resolution and in such case shall continue to bear interest.

The College's obligation to purchase a Series 2007A Bond to be purchased or cause it to be purchased is conditioned upon the availability of sufficient money to pay the optional purchase price for all of the Series 2007A Bonds to be purchased on the purchase date. If sufficient money is available on the purchase date to pay the optional purchase price of the Series 2007A Bonds to be purchased, the former registered owners of such Series 2007A Bonds will have no claim thereunder or under the Resolution or otherwise for payment of any amount other than the optional purchase price. If sufficient money is not available on the purchase date for payment of the optional purchase price, the Series 2007A Bonds tendered or deemed tendered for purchase will continue to be registered in the name of the registered owners on the purchase date, who will be entitled to the payment of the principal of and interest on such Series 2007A Bonds in accordance with their respective terms.

In the event not all of the Outstanding Series 2007A Bonds of a maturity are to be purchased, the Series 2007A Bonds of such maturity to be purchased will be selected by lot in the same manner as Series 2007A Bonds of a maturity to be redeemed in part are to be selected.

Notice of Purchase in Lieu of Optional Redemption of the Series 2007B Bonds and its Effect

If the College elects to purchase Series 2007B Bonds while in the Weekly Rate Mode or the Daily Rate Mode, notice of such purchase of the Series 2007B Bonds will be given in the name of the College to the registered owners of the Series 2007B Bonds to be purchased by first-class mail, postage prepaid, not less than 15 days or more than 30 days prior to the purchase date specified in such notice. The Series 2007B Bonds to be purchased are required to be tendered on the purchase date to the Trustee. Series 2007B Bonds to be purchased that are not so tendered will be deemed to have been properly tendered for purchase. In the event the Series 2007B Bonds are called for purchase in lieu of an Optional Redemption, such purchase shall not operate to extinguish the indebtedness of the Authority evidenced thereby or modify the terms of the Series 2007B Bonds and such Series 2007B Bonds need not be cancelled, but shall remain Outstanding under the Resolution and in such case shall continue to bear interest.

The College's obligation to purchase a Series 2007B Bond to be purchased or cause it to be purchased is conditioned upon the availability of sufficient moneys in accordance with the 2007B Bond Series Certificate to pay the optional purchase price for all of the Series 2007B Bonds to be purchased on the purchase date. If sufficient money is available on the purchase date to pay the optional purchase price of the Series 2007B Bonds to be purchased, the former registered owners of such Series 2007B Bonds will have no claim thereunder or under the

Resolution or otherwise for payment of any amount other than the optional purchase price. If sufficient money is not available on the purchase date for payment of the optional purchase price, the Series 2007B Bonds tendered or deemed tendered for purchase will continue to be registered in the name of the registered owners on the purchase date, who will be entitled to the payment of the principal of and interest on such Series 2007B Bonds in accordance with their respective terms.

In the case of purchases in lieu of optional redemption, the College will select Bank Bonds prior to any other Series 2007B Bonds. In the event not all of the Outstanding Series 2007B Bonds of a maturity are to be purchased, the Series 2007B Bonds of such maturity to be purchased will be selected by lot in the same manner as Series 2007B Bonds of a maturity to be redeemed in part are to be selected; provided, however, that Bank Bonds will be selected prior to any other Series 2007B Bonds.

For a more complete description of the redemption and other provisions relating to the Series 2007 Bonds, see “Appendix D — Summary of Certain Provisions of the Resolution.”

Book-Entry Only System

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Series 2007 Bonds. The Series 2007 Bonds will be 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 2007 Bond certificate will be issued for each maturity of the Series 2007 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 securities that its participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MRS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MRSCC and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission.

Purchases of Series 2007 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2007 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2007 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 Series 2007 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2007 Bonds, except in the event that use of the book-entry system for the Series 2007 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2007 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 Series 2007 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2007 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2007 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 Series 2007 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 Series 2007 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2007 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 Series 2007 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, 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 Series 2007B Bond tendered for purchase, through its Participant, to the Tender Agent and the Remarketing Agent, and shall effect delivery of such Series 2007B Bond by causing the Direct Participant to transfer the Participant's interest in the Series 2007B Bond, on DTC's records, to the Tender Agent. The requirement for physical delivery of Series 2007B Bonds in accordance with an optional tender for purchase will be deemed satisfied when the ownership rights in the Series 2007B Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Series 2007B 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 Series 2007 Bonds registered in its name for the purposes of payment of the principal and redemption premium, if any, of, or interest on, the Series 2007 Bonds, giving any notice permitted or required to be given to registered owners under the Resolution, registering the transfer of the Series 2007 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 Series 2007 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 Series 2007 Bonds; any notice which is permitted or required to be given to registered owners thereunder or under the conditions to transfers or exchanges adopted by the Authority; or other action taken by DTC as registered owner. Interest, redemption premium, if any, and principal will be paid by the Trustee to DTC, or its nominee. Disbursement of such payments to the Direct or Indirect Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of the Direct or Indirect Participants.

For every transfer and exchange of beneficial ownership of any of the Series 2007 Bonds, a Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

DTC may discontinue providing its service as depository with respect to the Series 2007 Bonds at any time by giving reasonable notice to the Authority and the Trustee, or the Authority may terminate its participation in the system of book-entry transfer through DTC at any time by giving notice to DTC. In either event, the Authority may

retain another securities depository for the Series 2007 Bonds or may direct the Trustee to deliver bond certificates in accordance with instructions from DTC or its successor. If the Authority directs the Trustee to deliver such bond certificates, such Series 2007 Bonds may thereafter be exchanged for an equal aggregate principal amount of Series 2007 Bonds in any other authorized denominations and of the same maturity as set forth in the Resolution, upon surrender thereof at the principal corporate trust office of the Trustee, who will then be responsible for maintaining the registration books of the Authority.

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

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

So long as Cede & Co. is the registered owner of the Series 2007 Bonds, as nominee for DTC, references herein to the Bondholders or registered owners of the Series 2007 Bonds (other than under the captions "PART 13 — TAX MATTERS" herein) shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Series 2007 Bonds.

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Principal and Interest Requirements

The following table sets forth the amounts, after giving effect to the issuance of the Series 2007 Bonds, required to be paid by the College during each twelve month period ending June 30 of the years shown for the payment of the principal of and interest on the Series 2007 Bonds and on the Outstanding Series 2004 Bonds and the total thereof.

12-Month Period Ending June 30	Series 2007 Bonds		Total Debt Service on the Series 2007 Bonds*	Total Debt Service on the Outstanding Bonds	Total Debt Service*
	Principal Payments	Interest Payments*			
2007	-	-	-	\$1,799,000	\$1,799,000
2008	\$1,020,000	\$3,576,465	\$4,596,465	1,797,800	6,394,265
2009	1,620,000	3,637,850	5,257,850	1,795,000	7,052,850
2010	2,130,000	3,573,050	5,703,050	1,796,400	7,499,450
2011	2,220,000	3,487,850	5,707,850	1,798,725	7,506,575
2012	2,310,000	3,399,050	5,709,050	1,794,375	7,503,425
2013	2,115,000	3,290,200	5,405,200	1,794,575	7,199,775
2014	2,220,000	3,191,350	5,411,350	1,795,775	7,207,125
2015	2,320,000	3,087,550	5,407,550	1,796,981	7,204,531
2016	2,430,000	2,979,000	5,409,000	1,796,431	7,205,431
2017	2,540,000	2,865,300	5,405,300	1,798,119	7,203,419
2018	2,665,000	2,746,400	5,411,400	1,798,681	7,210,081
2019	2,795,000	2,621,600	5,416,600	1,796,081	7,212,681
2020	2,925,000	2,490,700	5,415,700	1,795,169	7,210,869
2021	3,070,000	2,353,650	5,423,650	1,796,669	7,220,319
2022	3,215,000	2,209,750	5,424,750	1,796,419	7,221,169
2023	3,360,000	2,059,000	5,419,000	1,794,419	7,213,419
2024	3,525,000	1,901,400	5,426,400	1,795,669	7,222,069
2025	3,690,000	1,736,000	5,426,000	1,794,950	7,220,950
2026	3,865,000	1,562,800	5,427,800	1,795,900	7,223,700
2027	2,230,000	1,381,300	3,611,300	1,794,600	5,405,900
2028	2,330,000	1,282,050	3,612,050	1,796,050	5,408,100
2029	2,435,000	1,178,300	3,613,300	1,795,025	5,408,325
2030	2,550,000	1,069,850	3,619,850	1,796,525	5,416,375
2031	2,665,000	956,200	3,621,200	1,796,925	5,418,125
2032	2,785,000	837,400	3,622,400	1,794,238	5,416,638
2033	2,910,000	713,200	3,623,200	1,798,463	5,421,663
2034	3,050,000	583,350	3,633,350	1,794,125	5,427,475
2035	3,190,000	447,200	3,637,200	1,796,463	5,433,663
2036	3,335,000	304,750	3,639,750	-	3,639,750
2037	3,485,000	155,750	3,640,750	-	3,640,750

* Interest on the Series 2007B Bonds is calculated on the basis of an assumed interest rate of 4.00% per annum.

PART 4 — THE BANK

The following information concerning the Bank has been provided by representatives of the Bank and has not been independently confirmed or verified by either the Underwriters or the Authority. No representation is made herein 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, or that the information given below or incorporated herein by reference is correct as of any time subsequent to its date.

The Bank

The following information has been provided by the Bank (at times referred to hereinafter as “DEPFA”) 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 Underwriters or the Remarketing Agent. This

information has not been independently verified by the Authority, the College, the Underwriters or the Remarketing Agent. No representation is made by the Authority, the College, the Underwriters, 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.

DEPFA BANK plc (“DEPFA”) is the parent company of the DEPFA BANK plc group of companies comprising DEPFA and its consolidated subsidiaries (the “Group”). DEPFA will act through its New York Branch, which is licensed by the Banking Department of the State of New York as an unincorporated branch of DEPFA BANK plc, Dublin. DEPFA is based in Dublin and has a banking license issued under the Irish Central Bank Act, 1971 (as amended) and is supervised by the Financial Regulator. It is registered in the Irish companies Registration Office with company number 348819 and its shares are listed on the Frankfurt Stock Exchange. DEPFA has a network of subsidiaries, branches and offices across many European countries, as well as in North America and Asia.

The Group provides a broad range of products and services to public sector entities, from governmental budget financing and financing of infrastructure projects to placing of public sector assets and investment banking and other advisory services. The Group has direct client contacts with many state entities and focuses on those public sector entities involved in large volume business. The Group advises individual public sector borrowers on their international capital market transactions and preparations for the ratings process.

As of December 31, 2006, DEPFA had total consolidated assets of Euro 222.9 billion, shareholders’ equity of Euro 2.7 billion and consolidated net income of Euro 526 million, determined in accordance with International Financial Reporting Standards (IFRS). DEPFA maintains its records and prepares its financial statements in Euro. At December 31, 2006, the exchange rate was 1.0000 Euro equals 1.32027 United States dollars. Such exchange rate fluctuates from time to time.

DEPFA is rated “Aa3” long-term and “P-1” short-term by Moody’s, “AA-” long-term and “A-1+” short-term by S&P, and “AA-” long-term and “F1+” short-term by Fitch. On January 25, 2006, Fitch confirmed DEPFA’s long term and short term rating, with a stable outlook. On November 22, 2006, S&P confirmed DEPFA’s long term and short term rating and revised DEPFA’s long term outlook to negative from stable. On June 1, 2006, Moody’s confirmed DEPFA’s long term and short term rating, with a stable outlook.

DEPFA will provide without charge a copy of its most recent publicly available annual report. Written requests should be directed to: DEPFA BANK plc, New York Branch, 623 Fifth Avenue, 22nd Floor, New York, New York 10022, Attention: General Manager. The delivery of this information shall not create any implication that the information contained or referred to herein is correct as of any time subsequent to its date. In addition, updated financial information may be found from the DEPFA website at: www.depfa.com.

PART 5 — THE LIQUIDITY FACILITY

There follows under this caption certain information concerning the Liquidity Facility and the liquidity provider, DEPFA BANK plc, acting through its New York Branch (the “Bank”). No representation is made by the Authority, the College, the Underwriters or their counsel as to the accuracy, completeness or adequacy of such information, or as to the absence of any materially adverse changes in such information subsequent to the date hereof. None of the Authority, the College, the Underwriters and their counsel has made any independent investigation of the Bank or the Liquidity Facility.

The Liquidity Facility

In accordance with the Resolution, the Series 2007B Resolution and the 2007B Bond Series Certificate, the College will enter into the Liquidity Facility with the Bank and the Tender Agent, providing for the purchase, in accordance with the terms thereof, of Series 2007B Bonds which are in a Weekly Rate Mode or a Daily Rate Mode and are tendered for purchase, as provided in the 2007B Bond Series Certificate, and not remarketed. The Liquidity Facility contains various provisions, covenants and conditions, certain of which are summarized below. Various words or terms used in the following summary are defined in this Official Statement, the Liquidity Facility, the Resolution, the Series 2007B Resolution and the 2007B Bond Series Certificate, and reference thereto is made for full understanding of their import.

General. The purchase price of each Series 2007B Bond tendered for purchase is payable from the proceeds of the remarketing of such Series 2007B Bond and, to the extent remarketing proceeds are insufficient or not available therefor, from amounts available under the Liquidity Facility. The Liquidity Facility requires the Bank

to provide funds for the purchase of Series 2007B Bonds which are “Eligible Bonds” (as defined below), subject to certain conditions described below. Series 2007B Bonds to be purchased and held by the Bank will become “Bank Bonds” and will bear interest at the Bank Rate in accordance with (and as defined in) the Liquidity Facility. Eligible Bonds are Series 2007B Bonds which bear interest at a Daily Rate or a Weekly Rate which are not Bank Bonds or Series 2007B Bonds owned by or held on behalf of, for the benefit of or for the account of, the Insurer, the College or any affiliate or subsidiary of the College.

The amount of the Liquidity Facility at any one time is determined by adding the Available Principal Commitment and the Available Interest Commitment therefor. The Available Principal Commitment is equal to the initial principal amount of the Series 2007B Bonds adjusted from time to time as follows: (a) downward by the amount of any mandatory reduction of the Available Principal Commitment pursuant to the Liquidity Facility, (b) downward by the principal amount of any Eligible Bonds theretofore purchased by the Bank pursuant to the Liquidity Facility and (c) upward by the principal amount of any Eligible Bonds theretofore purchased by the Bank pursuant to the Liquidity Facility which are remarketed by the Remarketing Agent or otherwise no longer deemed Bank Bonds pursuant to the Liquidity Facility. The Available Interest Commitment is equal to thirty-four (34) days’ interest on the Series 2007B Bonds, computed as if the Series 2007B Bonds bore interest at the rate of twelve percent (12%) per annum based on a 365-day year. The Available Interest Commitment may be adjusted from time to time downward by an amount that bears the same proportion to such amount as the amount of a reduction in the Available Principal Commitment as described in clause (a) or (b) of this paragraph and upward by an amount that bears the same proportion to such amount as the amount of any increase described in clause (c) of this paragraph.

The Liquidity Facility will be effective on the date of delivery of the Series 2007B Bonds (the “Effective Date”) and shall be effective from the Effective Date to and including 5:00 p.m., New York time on the earliest of (a) (i) July 12, 2017, or (ii) the last day of any extension of such date pursuant to the Liquidity Facility (the “Expiration Date”); (b) the day on which no Series 2007B Bonds are Outstanding; (c) the first Business Day immediately following the date on which none of the Outstanding Bonds bear interest at a Daily Rate or a Weekly Rate; (d) the thirtieth (30th) day following the date on which a Notice of Termination Date (as defined in the Liquidity Facility) is received by the Trustee or, if such day is not a Business Day, the next following Business Day; and (e) the date on which the Available Commitment has been reduced to zero or terminated in its entirety pursuant to the Liquidity Facility.

On each date on which Series 2007B Bonds are to be purchased by the Bank pursuant to an optional tender or mandatory tender for purchase, by no later than 12:00 p.m., New York time, the Tender Agent will give notice to the Bank of the Series 2007B Bonds required to be purchased and the amount of principal and interest, respectively, required for such purchase. Upon receipt of such notice, the Bank, subject to satisfaction of the conditions precedent to purchase as set forth in the Liquidity Facility shall, by no later than 2:30 p.m., New York time, transfer to the Tender Agent, in immediately available funds, an amount equal to the aggregate purchase price of all Series 2007B Bonds required to be purchased by the Bank.

The obligations of the Bank to purchase Series 2007B Bonds pursuant to the Liquidity Facility is subject to the conditions precedent that no Event of Default permitting immediate termination or suspension as described under the heading “Events of Default Permitting Immediate Termination or Suspension” below has occurred and is continuing and that the Bank has timely received a properly completed Notice of Bank Purchase (as defined in the Liquidity Facility).

AS DESCRIBED BELOW, THE LIQUIDITY FACILITY PROVIDES THAT THE OBLIGATION OF THE BANK TO PURCHASE SERIES 2007B BONDS TENDERED OR DEEMED TENDERED FOR PURCHASE MAY BE IMMEDIATELY SUSPENDED OR TERMINATED UPON THE OCCURRENCE OF CERTAIN EVENTS WITHOUT NOTICE TO THE OWNERS. IN SUCH EVENT, SUFFICIENT FUNDS MAY NOT BE AVAILABLE TO PURCHASE SERIES 2007B BONDS TENDERED OR DEEMED TENDERED FOR PURCHASE.

Events of Default Permitting Immediate Termination or Suspension

The following Events of Default would permit the Bank either to terminate or suspend the Liquidity Facility without prior notice, all as more fully described below:

(a) Any principal or interest due on the Series 2007B Bonds is not paid by the College when due (including, without limitation, scheduled payments of principal and interest on Bank Bonds pursuant to the Liquidity Facility) and such principal or interest is not paid by the Insurer when, as, and in the amounts required to be paid pursuant to the terms of the Bond Insurance Policy; or the Bond Insurance Policy is surrendered, canceled,

terminated, amended or modified in any material respect or a new bond insurer is substituted for Financial Guaranty Insurance Company as the bond insurer, in either case, without the Bank's prior written consent; or

(b) (i) Any material provision of the Bond Insurance Policy relating to the obligation of the Insurer to make payments thereunder at any time for any reason ceases to be valid and binding on the Insurer in accordance with the terms of the Bond Insurance Policy or is declared to be null and void by the New York Department of Insurance or by a court or other competent regulatory authority of appropriate jurisdiction or (ii) the Insurer shall (x) claim, in writing, that the Bond Insurance Policy is not valid and binding on the Insurer, (y) repudiate, in writing, the Insurer's obligations under the Bond Insurance Policy or (z) initiate legal proceedings seeking an adjudication that the Bond Insurance Policy is not valid and binding on the Insurer; or

(c) A proceeding is instituted in a court having jurisdiction in the premises seeking an order for relief, rehabilitation, reorganization, conservation, liquidation or dissolution in respect to the Insurer or for any substantial part of its property under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or for the appointment of a receiver, liquidator, assignee, custodian, trustee or sequestrator (or other similar official) and such proceeding is not terminated within a period of one-hundred eighty (180) consecutive days or such court enters an order granting the relief sought in such proceeding or the Insurer shall institute or take any corporate action for the purpose of instituting any such proceeding; or the Insurer shall declare a moratorium on the payment of its debts or shall become insolvent or unable to pay its debts as they mature or claims under any of its insurance policies as such claims are made, 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 the Insurer or for any substantial part of its property, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts or claims as they become due, or shall admit, in writing, its inability to pay its debts or claims as they become due, or shall take any corporate action in furtherance of any of the foregoing; or

(d) The Insurer shall fail to make any payment when due under any municipal bond insurance policy (other than the Bond Insurance Policy) or surety bond (other than a fee surety bond) issued by it and such failure shall continue for a period of ten (10) Business Days (it being understood by the Bank that failure to pay for purposes of this paragraph shall not mean a situation whereby the Insurer contests in good faith its liability under any such policy or policies in light of the claims made thereunder); or

(e) Moody's, S&P and Fitch shall downgrade their respective Insurer Rating (as defined in the Liquidity Facility) to below "Baa3" (or its equivalent) by Moody's, "BBB-" (or its equivalent) by S&P or "BBB-" (or its equivalent) by Fitch or Moody's, S&P and Fitch shall suspend or withdraw their respective Insurer Rating for credit-related reasons.

Events of Default Not Permitting Immediate Termination or Suspension

The following Events of Default do NOT permit immediate termination or suspension, but do allow the Bank to exercise other remedies:

(A) The College shall fail to pay (i) within three (3) days after the same shall become due any Commitment Fee (as defined in the Liquidity Facility) owing under the Liquidity Facility and such amount shall remain unpaid for three (3) days after written notice of such failure has been given (in the manner and to the addresses provided for in the Liquidity Facility) to the Authority, the College, the Insurer and the Trustee (which notice may be given during or after the aforesaid three (3) day period), or (ii) other amounts owing under the Liquidity Facility (other than those described in clause (i) above) and such amount shall remain unpaid for five (5) days after written notice of such failure has been given by the Bank to the Authority, the College, the Trustee or the Insurer; or

(B) Any material representation or warranty made by or on behalf of the College in the Liquidity Facility or in any other Related Document (as defined in the Liquidity Facility) or in any certificate or statement delivered thereunder shall be incorrect or untrue in any material respect when made or deemed to have been made; or

(C) The College shall default in the due performance or observance of certain covenants set forth in the Liquidity Facility; or

(D) The College shall default in the due performance or observance of any other term, covenant or agreement contained in the Liquidity Facility (other than those referred to in clause (a), (e) or (A) above) and such

default shall remain unremedied for a period of fifteen (15) days (or up to thirty (30) days if the same cannot be cured in fifteen (15) days but is curable within thirty (30) days and such cure is being diligently pursued) after the Bank shall have given written notice thereof to the College; or

(E) The College shall be in default in the payment of any principal of or interest on any Indebtedness (as defined in the Liquidity Facility) in excess of \$1,000,000 or on any obligation guaranteed by the College or in respect of which it is otherwise contingently liable in excess of \$1,000,000 beyond any period of grace stated with respect thereto in any such obligation or in any agreement under which any such obligation is created, or the College shall default in the performance of any agreement under which any such obligation is created if the effect of such default is to cause such obligation to become, or to permit any holder or beneficiary thereof, or a trustee on behalf thereof, with notice if required, to declare such obligation to be due prior to its normal maturity; or

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

(G) Any Event of Default under the Resolution, the Series 2007B Resolution or the 2007B Bond Series Certificate or any other “event of default” which is not cured within any applicable cure period under any of the other Related Documents shall occur; or

(H) Any material provision of the Liquidity Facility or any other Related Document (other than the Bond Insurance Policy) shall at any time for any reason cease to be valid and binding on the College or any other party thereto or shall be declared to be null and void, or the validity or enforceability thereof shall be contested by the College or such other party thereto or by any Governmental Authority (as defined in the Liquidity Facility) having jurisdiction, or the College or such other party shall deny that it has any or further liability or obligation under any such document; or

(I) The reduction of any two Insurer Ratings below “A” by S&P, “A” by Fitch or “A2” by Moody’s.

Remedies Following Events of Default

The following remedies will be available to the Bank upon the occurrence of an Event of Default:

(a) Upon the occurrence of, and during the continuation of, an Event of Default specified in paragraph (b)(ii) under the heading “Events of Default Permitting Immediate Termination or Suspension” that has not yet resulted in a Bond Insurer Event of Default as described in paragraph (b) under this heading, the obligation of the Bank under the Liquidity Facility to purchase Series 2007B Bonds shall be immediately and automatically suspended, without notice, and the Bank shall be under no further obligation under the Liquidity Facility to purchase Series 2007B Bonds unless and until the obligation of the Bank to purchase Series 2007B Bonds is reinstated as described below. Promptly upon obtaining knowledge of such an Event of Default (whether from the College, the Trustee or otherwise), the Bank shall give the Authority, the College, the Trustee and the Remarketing Agent written notice of such Event of Default; *provided* that the Bank shall not incur any liability or responsibility whatsoever by reason of its failure to give such notice and such failure shall in no way affect the suspension of the Available Commitment and of the suspension of the obligations of the Bank to purchase Series 2007B Bonds pursuant to the Liquidity Facility. If at any time prior to the earlier of (i) the then current Expiration Date and (ii) the date that is three (3) years following the suspension of the obligation of the Bank to purchase Series 2007B Bonds, (x) the Suspension Event (that is the subject of this paragraph) which gave rise to such suspension is cured or ceases to be continuing and (y) the obligation of the Bank to purchase Series 2007B Bonds under the Liquidity Facility has not

otherwise terminated, then, upon written notice from the Trustee to the Bank to such effect, the obligation of the Bank to purchase Series 2007B Bonds under the Liquidity Facility shall be automatically reinstated. If the Suspension Event which gave rise to the suspension of the obligations of the Bank to purchase Series 2007B Bonds under the Liquidity Facility has not been cured prior to, or is continuing on, the date that is three (3) years following the suspension of the obligation of the Bank to purchase Series 2007B Bonds, then the obligations of the Bank to purchase Series 2007B Bonds shall be terminated upon written notice from the Bank to the College, the Trustee and the Remarketing Agent and, thereafter, the Bank shall have no further obligations to purchase any Series 2007B Bonds; *provided* that the Bank shall not incur any liability or responsibility whatsoever by reason of its failure to give such notice and such failure shall in no way affect the termination of the Available Commitment and of the obligations of the Bank to purchase Series 2007B Bonds under the Liquidity Facility.

Upon the occurrence of a Default specified in paragraph (d) under the heading “Events of Default Permitting Immediate Termination or Suspension” and prior to the expiration of the ten (10) Business Days described in paragraph (d) under the heading “Events of Default Permitting Immediate Termination or Suspension” (no default shall be deemed to exist as described in paragraph (d) under the heading “Events of Default Permitting Immediate Termination or Suspension” so long as the Insurer is contesting in good faith its liability as described therein), the Bank’s obligations to purchase Series 2007B Bonds shall be immediately suspended, without notice or demand and, thereafter, the Bank shall be under no obligation to purchase Series 2007B Bonds until the Available Commitment is reinstated as described hereinbelow. Promptly upon the Bank obtaining knowledge of such a Default, the Bank shall give written notice of the same to the Authority, the College, the Trustee and the Remarketing Agent of such suspension; *provided, however*, that the Bank shall incur no liability or responsibility whatsoever by reason of its failure to give such notice and such failure shall in no way affect the suspension of the Bank’s obligations under the Liquidity Facility. In the event such Default (which is defined as any occurrence, circumstance or event, or any combination thereof, which, with the lapse of time and/or the giving of notice, would constitute an Event of Default) is cured prior to it resulting in a Bond Insurer Event of Default described in paragraph (b) under the this heading, the Bank’s obligations shall be automatically reinstated and the terms of the Liquidity Facility will continue in full force and effect (unless the Liquidity Facility shall otherwise have terminated or been suspended by its terms or in accordance with paragraphs (a), (b) or (c) under this heading).

In addition, upon the occurrence and during the continuance of a Default described in paragraph (c) under the heading “Events of Default Permitting Immediate Termination or Suspension”, the obligation of the Bank to purchase Series 2007B Bonds under the Liquidity Facility shall be immediately and automatically suspended, without notice, and the Bank shall be under no further obligation under the Liquidity Facility to purchase Series 2007B Bonds until the bankruptcy, insolvency or similar proceeding referred to therein is terminated prior to the court entering an order granting the relief sought in such proceeding. In the event such proceeding is terminated, then the obligations of the Bank under the Liquidity Facility shall be automatically reinstated and the terms of the Liquidity Facility shall continue in full force and effect (unless the obligation of the Bank to purchase Series 2007B Bonds under the Liquidity Facility shall otherwise have terminated) as if there had been no such suspension.

The College shall cause the Trustee to notify all Bondholders of the suspension or reinstatement of the Available Commitment and the obligation of the Bank to purchase the Series 2007B Bonds as described in this paragraph.

Each of the occurrences described in this paragraph (a) is referred to herein as a “Suspension Event”.

(b) Upon the occurrence of an Event of Default specified in paragraphs (a), (b), (c), (d) or (e) under the heading “Events of Default Permitting Immediate Termination or Suspension” (each, a “Bond Insurer Event of Default”), subject to any grace period described in paragraph (a) under this heading, the Available Commitment and the obligation of the Bank to purchase Series 2007B Bonds shall immediately terminate without notice or demand and, thereafter, the Bank shall be under no obligation to purchase Series 2007B Bonds. Promptly after the Bank receives written notice of such Bond Insurer Event of Default or otherwise has actual knowledge thereof, the Bank shall give written notice of the same to the Authority, the Remarketing Agent, the Trustee and the College; *provided*, that the Bank shall not incur any liability or responsibility whatsoever by reason of the Bank’s failure to give such notice and such failure shall in no way affect the termination of the Available Commitment and of any obligation of the Bank to purchase Series 2007B Bonds pursuant to the Liquidity Facility. The College shall cause the Trustee to promptly notify all Bondholders of the termination of the Available Commitment and the obligation of the Bank to purchase the Series 2007B Bonds.

(c) In the case of any Event of Default described in paragraphs (A)(i) or (I) under the heading “Events of Default Not Permitting Immediate Termination or Suspension”, the Bank may give written notice of such Event

of Default and termination of the Agreement (a “Notice of Termination Date”) to the Authority, the Trustee, the Tender Agent, the College, the Insurer and the Remarketing Agent requesting a Default Tender. If the Bank elects to deliver such Notice of Termination Date, it shall include therein a direction to the Tender Agent to cause a mandatory tender and purchase of Series 2007B Bonds in accordance with the Series 2007B Bond Series Certificate. The obligation of the Bank to purchase Series 2007B Bonds shall terminate on the thirtieth (30th) day (or if such day is not a Business Day, the next following Business Day) after such Notice of Termination Date is received by the Tender Agent and on such date the Available Commitment shall terminate and the Bank shall be under no obligation under the Liquidity Facility to purchase Series 2007B Bonds.

(d) Upon the occurrence of an Event of Default as specified in the Liquidity Facility, the Bank shall have all remedies provided at law or equity, including, without limitation, specific performance; *provided, however*, that the Bank shall not have the right to terminate or suspend its obligation to purchase Eligible Bonds, to declare any amount due under the Liquidity Facility due and payable prior to its normal due date, or to accelerate the maturity date of any Series 2007B Bonds except as provided in the Liquidity Facility, the Resolution, the Series 2007B Resolution and the 2007B Bond Series Certificate. Without limiting the generality of the foregoing, the Bank agrees to purchase Eligible Bonds on the terms and conditions of the Liquidity Facility notwithstanding the institution or pendency of any bankruptcy, insolvency or similar proceeding with respect to the College. The Bank will not assert as a defense to its obligation to purchase Eligible Bonds under the Liquidity Facility (i) the institution or pendency of a bankruptcy, insolvency or similar proceeding with respect to the College or (ii) a determination by a court of competent jurisdiction in a bankruptcy, insolvency or similar proceeding with respect to the College that the Liquidity Facility is not enforceable against the College under applicable bankruptcy, insolvency or similar laws. This paragraph shall not limit the exercise of the Bank’s remedies described in any other paragraph under this heading.

(e) In addition to the foregoing, upon the occurrence of any Bond Insurer Event of Default under the Liquidity Facility, all obligations due and payable under the Liquidity Facility or under any Bank Bond shall bear interest at the Default Rate.

(f) The remedies provided in paragraphs (a), (b), (c), (d) and (e) under this heading shall only be exclusive with respect to such Events of Default to the extent they are obtained by the Bank. If, for any reason whatsoever, the Bank is not able to obtain all such remedies, then the Bank reserves the right to pursue any other available remedies, other than acceleration of the Series 2007B Bonds except as provided in the Resolution, the Series 2007B Resolution and the 2007B Bond Series Certificate, whether provided by law, equity or the Liquidity Facility.

PART 6 — THE SERIES 2007 PROJECT

The Series 2007 Project consists of (i) the demolition of an existing facility (McIntosh Hall) and construction of a new, approximately 100,000 gross square foot multi-purpose facility to be located at 3023 Broadway, to include a theatre with seating for approximately 100, special event space for seating approximately 500, a central reading room, computer technology center, student services offices, club space, student union, classrooms, food services venues and academic departments; and (ii) campus-wide renovation and maintenance projects at various buildings. A portion of the Series 2007A Bonds are being used to refund the Refunded Bonds, the proceeds of which were used to (A) refund the College’s loans under the Authority’s College and University Variable/Fixed Rate Insured Revenue Bonds (1985 Pooled Capital Program), the proceeds of which were used to finance the construction of Sulzberger Hall, and (B) to repair, renovate and upgrade various buildings at the College.

PART 7 — THE REFUNDING PLAN

A portion of the Proceeds of the Series 2007A Bonds will be used to refund the Refunded Bonds. Upon issuance of the Series 2007A Bonds, such proceeds are expected to be used to acquire noncallable direct obligations of the United States of America (the “Investment Securities”), the principal of and interest on which, when due, together with any initial cash deposit, will provide moneys sufficient to pay the redemption price of the Refunded Bonds and the interest on such Refunded Bonds to the date fixed for redemption.

Investment Securities will be deposited with the trustee for the Refunded Bonds (the “Prior Trustee”) upon the issuance and delivery of the Series 2007A Bonds and will be held in trust solely for the payment of the redemption price of and interest on the Refunded Bonds. At the time of such deposit the Authority will give the Prior Trustee irrevocable instructions to give notice of the redemption of the Refunded Bonds and to apply the proceeds from the Investment Securities together with any initial cash deposit to the payment of the redemption

price of and interest on the Refunded Bonds. In the opinion of Bond Counsel, upon making such deposits with the Prior Trustee and the issuance of certain irrevocable instructions to such trustee, the Refunded Bonds will, under the terms of the resolution under which they were issued, be deemed to have been paid and will no longer be outstanding and the pledge of the revenues or other moneys and securities pledged to the Refunded Bonds and all other rights granted by such resolution to the Refunded Bonds shall be discharged and satisfied.

PART 8 — ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds are as follows:

Sources of Funds

Principal Amount of Series 2007A Bonds ...	\$ 48,420,000.00
Net Original Issue Premium	<u>1,764,095.50</u>
Total Sources	<u>\$ 50,184,095.50</u>

Uses of Funds

Deposit to the Construction Fund	23,392,672.94
Deposit to the Refunding Escrow	23,106,537.47
Capitalized Interest	2,372,624.77
Costs of Issuance*	917,702.30
Underwriters' Discount	<u>394,558.02</u>
Total Uses	<u>\$ 50,184,095.50</u>

* Includes a portion of the Bond Insurance Policy premium and State bond issuance charge.

Sources of Funds

Principal Amount of Series 2007B Bonds	\$ 32,580,000.00
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Uses of Funds

Deposit to Construction Fund	\$ 31,715,223.86
Costs of Issuance*	656,042.91
Underwriter's Discount	<u>208,733.23</u>
Total Uses	<u>\$32,580,000.00</u>

* Includes Liquidity Facility fee and a portion of the Bond Insurance Policy premium and State bond issuance charge.

**PART 9 — THE COLLEGE
GENERAL INFORMATION**

History of the College

Founded in 1889 in New York City, Barnard College is an independent, undergraduate, liberal arts college for women affiliated with Columbia University. Barnard College was among the pioneers in the late 19th-century crusade to make higher education available to young women. The College grew out of the idea, first proposed by Columbia University's tenth president, Frederick A.P. Barnard, that women have an opportunity for higher education at Columbia. The idea, initially ignored, led to the creation of a "Collegiate Course for Women." Although highly qualified women were authorized to follow a prescribed course of study leading ultimately to Columbia University degrees, no provision was made for where and how they were to pursue their studies. It was six years before Columbia's trustees agreed to the establishment of an affiliated college for women. A provisional charter was secured and Barnard College was named in honor of its most persistent advocate. In October 1889, the first Barnard class met in a rented brownstone house at 343 Madison Avenue. Fourteen students enrolled in the School of Arts and 22 "specials," lacking the entrance requirements in Greek, enrolled in Science. There was a faculty of six.

Nine years later, Barnard moved to its present site on Morningside Heights. In 1900, Barnard was included in the educational system of Columbia University with provisions unique among women's colleges; it was governed by its own Trustees, Faculty, and Dean, and was responsible for its own endowment and facilities, while sharing instruction, the library, and the degree of the University.

From its original 14 students, enrollment has grown to over 2,300, with over 30,000 Barnard students awarded degrees since 1893. Barnard's faculty of 324 men and women are teacher-scholars whose paramount

concern is the education of undergraduate students and whose professional achievements bring added vitality to the classroom. Barnard's liberal arts curriculum includes a series of general education requirements. Classes vary in size. Those in which student participation is important are small. There are opportunities for independent work and students may be invited to work on research projects with faculty members.

Barnard College and Columbia University have had a continuing affiliation for over one hundred and fifteen years. The current affiliation agreement between the Colleges was executed in 1998 and has a fifteen-year term. The agreement may be terminated by either party on or after June 30, 2008 on one year's notice. The parties are presently working out the terms of a multi-year extension of the affiliation agreement. Barnard stands as an independent college for women with its own curriculum, faculty, admissions standards, graduation requirements, trustees, endowment, and physical plant. At the same time, Barnard and Columbia share resources, thereby giving students open access to the courses, facilities, and libraries of both schools. Barnard and Columbia students also share in a variety of extracurricular and social activities.

From its inception, Barnard has had as its primary commitment the academic, personal, and professional success of women. Sixty percent of the full-time faculty are women, and women are well represented in the administration. Barnard's unique relationship with Columbia - as well as its ties to several of Columbia's graduate schools and its programs with premier New York City institutions, including the Juilliard School, the Manhattan School of Music, the Jewish Theological Seminary of America, and Teachers College - gives students a unique range of educational options. Academic organizations within and beyond the University offer opportunities for research, study, studio experience, career internships, and community service. Barnard students also enjoy leaves for study, travel, and internships. Every year Barnard admits about 75 transfer students, who come to take advantage of the educational opportunities available to Barnard women.

Governance

Barnard is governed by a self-perpetuating Board of Trustees of not more than 40 members. The officers and current members of the Board of Trustees are as follows:

Rosa Alonso '82	Patricia F. Green '62 (Trustee Emerita)	William R. Reid
Hilda Applbaum '82	Laird Grant Goody '67	Gayle F. Robinson '75 (Trustee Emerita)
Stephen Bepler	Janet Williams Helman '56	Arthur Ross (Trustee Emeritus)
Lee C. Bollinger (Ex-Officio) President, Columbia University	Gedale B. Horowitz (Vice Chair)	Beth Seidenberg '79
Jolyn Caruso-Fitzgerald '81	Helene L. Kaplan '53 (Chair Emerita and Trustee Emerita)	Judith Shapiro (Ex-Officio) President, Barnard College
Hon. Miriam Cedarbaum '50 (Trustee Emerita)	Constance Kruger (Trustee Emerita)	Elizabeth Yeh Singh '88
Lois G. Champy '67	Linda Fayne Levinson '62	Cynthia Stivers '78
Elaine S. Chapnick '61	Ronald D. Liebowitz	Zahava B. Strauss '77
Lisa Phillips Davis '76	Cheryl Glicker Milstein '82	Diana T. Vagelos '55 (Vice Chair)
James M. Dow	Myra H. Monfort '60	Nancy K. Wong '62
Scott C. Evans	Eileen Lee Moy '73	Virginia B. Wright '51 (Trustee Emerita)
Karen M. Fleiss '68	Patricia H. Nadosy '68	
Joan Freilich '63	Anna Quindlen '74 (Chair)	<u>Officers of the College</u> Judith Shapiro President of the College
John Furth (Trustee Emeritus)	Mary Louise Reid '46 (Trustee Emerita)	Elizabeth S. Boylan Provost & Dean of the Faculty
William T. Golden (Trustee Emeritus)		

Gregory N. Brown
VP for Finance and Planning

Michael S. Feierman
General Counsel

Lisa Gamsu
VP for Administration & Capital
Planning

Dorothy S. Denburg
Dean of the College

Cameran Mason
VP for Institutional Advancement

Faculty Representatives to the Board of Trustees

Lisa Gordis
Lisa K. Son

Student Representatives to the Board of Trustees

Mai Eldib '08
Rabia Sarwar '07

Administration

The President of the College is appointed by the Board of Trustees and, as chief executive officer, is principally responsible for the administration of the College. All other principal executive officers of the College are nominated by the President and appointed by the Board of Trustees. The principal executive officers of the College are as follows:

Judith R. Shapiro, President. Judith Shapiro is a highly respected cultural anthropologist who has been president of Barnard College since 1994. She graduated magna cum laude from Brandeis University and received her Ph.D. in anthropology from Columbia University. She went on to become the first woman appointed to the Department of Anthropology at the University of Chicago, and continued her teaching career at Bryn Mawr, eventually becoming Provost of the College. She has been President of the American Ethnological Society, a Fellow at the Center for Advanced Study in Behavioral Sciences and a Fellow of the American Council of Learned Societies. She is currently a member of the American Philosophical Society, The Council on Foreign Relations, and the New York City Partnership and Chamber of Commerce. President Shapiro was a contributor to the *Newsweek* cover feature "How Women Lead" and her views on women's education and women in leadership are frequently solicited by leading publications, including the *New York Times* and the *Chronicle of Higher Education*.

Elizabeth S. Boylan, Provost and Dean of the Faculty. Elizabeth S. Boylan was named to this position in July 1995, and served as Acting President in Fall 2000. She also holds the rank of professor of biological sciences with tenure. Provost Boylan led the first systematic review of the College's general education requirements since the early 1980's, resulting in the adoption of new curricular requirements for students entering in fall 2000. Provost Boylan has also been involved in various faculty development and leadership development projects, both at Barnard and through organizations and foundations such as the American Council on Education, Project Kaleidoscope and the Mellon Foundation. A specialist in developmental biology and cancer research, Provost Boylan earned a Ph.D. in zoology from Cornell University and a bachelor's degree in biological sciences from Wellesley College. She holds a U.S. patent and has been a consultant for, among others, the National Cancer Institute, the National Science Foundation and the American Cancer Society. From 1999 through 2004 she served as Commissioner on the Commission on Higher Education of the Middle States Association of Colleges and Schools.

Dorothy Denburg, Dean of the College. As the College's chief student affairs officer, Dorothy Denburg, the Dean of the College, oversees all student services that support the academic mission of the College and enhance student life on campus. As a member of the President's Council, the Dean participates in the general governance of the College, presenting student concerns, discerning developing trends, and recommending or creating new policies and programs as appropriate. The Dean serves as College spokesperson on matters pertaining to students, parents, alumnae, Trustees, Columbia University, other institutions, and the general public. Ms. Denburg has been Dean of the College at Barnard since 1993. She has also taught courses on Women in Literature and Culture in the First-Year Seminar program and an Introduction to the Humanities course. From the spring of 1999, through April of 2001, she chaired the Task Force on Campus Life, which was charged to "examine and assess campus life" at Barnard.

Gregory N. Brown, Vice President for Finance and Planning. Gregory Brown joined the administration of Barnard in February, 2006. Mr. Brown serves as chief financial officer of Barnard, with responsibility for investments, budget, institutional research and all financial operations. Prior to coming to Barnard, Mr. Brown served as Vice President and Chief Administrative Officer for Hebrew Union College-Jewish Institute of Religion. Over the 25 years of his career in higher education and governmental financial administration, Mr. Brown served as Assistance Vice Chancellor and Controller for the University of California at Berkeley, Controller for the City of New Haven, Connecticut, and in a series of financial positions at Yale University, including positions at the School of Drama, Internal Audit, budget, and Financial Reporting. At the time of his departure from Yale, he was the

Assistant Controller for Financial Reporting. He is a graduate of Wesleyan University and holds a Master's in Public Administration from the University of New Haven.

Cameran Mason, Vice President for Institutional Advancement. Cameran Mason, Vice President for Institutional Advancement, has been at Barnard since 2001. At Barnard, she oversees development, alumnae affairs and communications, including publications, media relations, electronic communications and special events. Prior to Barnard, Ms. Mason served for ten years at Fordham University where, as Associate Vice President for Development and University Relations, she was the senior strategist for a successful \$150 million comprehensive campaign and oversaw development, alumni relations and public affairs. Prior to working at Fordham, Ms. Mason was Special Assistant to the President/Research Associate at the Manpower Demonstration Research Corporation, and held a position at the Ford Foundation in New York. She was also a staff economist at Swidler and Berlin in Washington, D.C. and worked as a research assistant at The Brookings Institution. Ms. Mason has co-authored The Comparable Worth Controversy and The Effects of Welfare-to-Work Programs: A Synthesis of Recent Experimental Research. She was Phi Beta Kappa at Wellesley College where she earned a B.A. in economics and history. Ms. Mason also holds a master's degree in Public Affairs from the Woodrow Wilson School of Public and International Affairs at Princeton University.

Michael S. Feierman, General Counsel. Michael Feierman, General Counsel, is responsible for all legal matters concerning the College. He provides legal advice to all departments, monitors and defends all claims brought against the College, reviews all College-wide policies and procedures, and drafts and reviews vendor and purchase contracts, lease agreements and other legal documents. The General Counsel is also responsible for government relations and risk management. Mr. Feierman has been at Barnard since 1985, first as Associate General Counsel and in 1995 was appointed General Counsel. Prior to Barnard, Mr. Feierman was legal counsel to Fordham University, and he held various administrative positions at Manhattan College and the College of Mount Saint Vincent. Mr. Feierman graduated from Adelphi University, and he received his Law Degree from Fordham University School of Law.

Lisa Gamsu, Vice President for Administration and Capital Planning. Lisa Gamsu, Vice President for Administration and Capital Planning is responsible for Barnard's construction programs, capital budget and central services, including: facilities, security, human resources and mail and duplicating. Ms. Gamsu joined Barnard in March, 2003. Ms. Gamsu oversees Barnard's capital planning efforts and all project management for new construction and renovation. She works with the Vice President for Finance and Planning to develop the annual budget, and works with the Dean and the Provost to manage Barnard's ongoing master planning efforts. Prior to coming to Barnard, Ms. Gamsu served as Director of Museum Expansion at the Wadsworth Athenaeum, and as Director of Administration and Capital Planning at New School University. Ms. Gamsu received her BA from Binghamton University and her MS in Nonprofit Management from the Milano Graduate School of Management and Urban Professions.

Employee Relations

In addition to its 324 faculty members, the College has approximately 240 administrative employees, and approximately 245 facilities and clerical employees covered by collective bargaining agreements. The relationships between the College and the various unions have been good.

OPERATING INFORMATION

Admissions and Student Enrollment

Identified in the table below are the number of first year applications received for admission to the College over the past five academic years. Also included are the number of applications accepted and the number of first year fall enrollments.

ADMISSION STATISTICS

First Year Fall Applications and Enrollment

	<u>2002/03</u>	<u>2003/04</u>	<u>2004/05</u>	<u>2005/06</u>	<u>2006/07</u>
Undergraduate Applications	3,686	4,034	4,380	4,431	4,599
Acceptances	1,269	1,254	1,201	1,216	1,177
Acceptance Ratio	34.4%	31.1%	27.4%	27.4%	25.6%
Matriculants	543	554	553	571	556
Matriculation Ratio	42.8%	44.2%	46.0%	47.0%	47.2%

Demand for Barnard is very strong and admission to the College is highly competitive. The College attracts the majority of its students from the pool of college-bound high school graduates in the top 10% of their graduating classes. Barnard competes successfully for these talented students against other highly selective colleges and universities. The following table presents the mean SAT scores for all of the College's entering first year students for the last five academic years:

Median SAT Scores

	<u>2002/03</u>	<u>2003/04</u>	<u>2004/05</u>	<u>2005/06</u>	<u>2006/07</u>
Math	660	670	660	680	670
Reading	670	690	690	700	690
Writing	—	—	—	—	690
Total	1,330	1,360	1,350	1,380	2,050

Barnard has sustained an enrollment of approximately 2,300 students for the past ten years. The following table presents the fall enrollment for the past five academic years.

ENROLLMENT SUMMARY

Fall Enrollment by Academic Year

	<u>2002/03</u>	<u>2003/04</u>	<u>2004/05</u>	<u>2005/06</u>	<u>2006/07</u>
Full-Time Enrolled	2,244	2,232	2,235	2,296	2,300
Part-Time Enrolled	53	49	52	60	50
Total	2,297	2,281	2,287	2,356	2,350

Barnard attracts students from all over the United States as well as from abroad. The table below presents the geographic profile of the College's entering first year class for the past five academic years:

Geographic Profile of Entering First Year Students by Percentage of Class

	<u>2002/03</u>	<u>2003/04</u>	<u>2004/05</u>	<u>2005/06</u>	<u>2006/07</u>
New York State	34%	32%	30%	32%	33%
Other United States	63	66	67	65	64
Foreign	3	2	3	3	3
Total	100%	100%	100%	100%	100%

Tuition and Fees

For the 2006-07 fiscal year, full-time tuition at the College is \$31,714, comprehensive fees total \$1,364 and full board and room charges are \$11,176. Tuition accounts for approximately 50% of the College's operating income. Tuition, room and board charges and activity fees for the last five fiscal years are listed below:

	<u>2002/03</u>	<u>2003/04</u>	<u>2004/05</u>	<u>2005/06</u>	<u>2006/07</u>
Tuition	\$24,090	\$25,294	\$27,064	\$29,364	\$31,714
Comprehensive Fee	1,180	1,234	1,276	1,312	1,364
Room and Board	<u>10,140</u>	<u>10,462</u>	<u>10,800</u>	<u>11,126</u>	<u>11,176</u>
Total	\$35,410	\$36,990	\$39,140	\$41,802	\$44,254

Student Financial Aid

The College administers a student aid program through which approximately 50% of the student body receives need-based aid in the form of grants, loans or campus employment. In fiscal year 2005-06, the College provided approximately \$19 million in institutional grant aid to students. In addition, Federal grants to students from the Pell Program and from the Supplemental Educational Opportunity Grants Program amounted to approximately \$1.5 million. New York residents enrolled at Barnard received approximately \$1.5 million in grants from the State's Tuition Assistance Plan and the State's Higher Education Opportunity Grant Program in 2005-06. A summary of the funds provided for scholarships for the past five fiscal years is as follows:

	<u>SOURCES OF UNDERGRADUATE FINANCIAL AID</u>			
	(In Thousands)			
<u>Fiscal Year</u>	<u>Barnard Grants</u>	<u>State Grants</u>	<u>Federal Grants</u>	<u>Total</u>
2001-02	\$12,982	\$1,382	\$1,481	\$15,845
2002-03	14,176	1,494	1,538	17,208
2003-04	15,462	1,522	1,584	18,568
2004-05	17,103	1,514	1,573	20,190
2005-06	18,889	1,482	1,536	21,907

In addition to grant aid, students financed their educational costs with jobs and loans. In 2005-06, students earned approximately \$1.1 million from College-sponsored employment opportunities and borrowed approximately \$366,000 through the Perkins Student Loan Program. In addition, in 2005-06, students and parents borrowed an aggregate of \$9.6 million under various other loan programs.

Faculty

The teaching faculty includes 201 full-time and 123 part-time members for the 2006-07 academic year. Of the full time tenure-track faculty, 51% are tenured and 97% hold Ph.D., professional or other terminal degrees. The College maintains a student to faculty ratio of approximately 10 to 1. The following table sets forth the faculty profile for the past five academic years.

FACULTY PROFILE

	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>
Full-Time	185	186	183	193	201
Part-Time & Adjuncts	<u>107</u>	<u>107</u>	<u>113</u>	<u>126</u>	<u>123</u>
Total	292	293	296	319	324
Tenured	67	69	70	71	76

ANNUAL FINANCIAL STATEMENT INFORMATION

The College's financial statements are prepared on the accrual basis of accounting. The following table summarizes (aggregating unrestricted, temporarily restricted and permanently restricted activities) the College's statement of activities for the fiscal years ended June 30, 2002, 2003, 2004, 2005 and 2006. The summary is derived from the audited financial statements of the College for such periods, and should be read in conjunction with the College's audited financial statements as of and for the year ended June 30, 2006, included in Appendix B to this Official Statement.

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Statements of Activities
Fiscal Years Ended June 30,
(In Thousands)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
OPERATING REVENUE:					
Tuition and fees	\$ 52,459	\$ 55,174	\$58,048	\$62,981	\$68,893
Less financial aid allowance	<u>(13,936)</u>	<u>(15,120)</u>	<u>(16,400)</u>	<u>(17,847)</u>	<u>(19,836)</u>
Net tuition and fees	38,523	40,054	41,648	45,134	49,057
State appropriations	279	269	271	246	239
Investment return designated for current operations	9,075	9,070	9,070	9,077	9,077
Other investment income	672	381	309	709	1,394
Federal grants and contracts	2,028	2,233	2,709	3,220	2,664
State grants	610	774	683	687	704
Private gifts and grants	7,110	12,152	13,920	12,904	18,547
Auxiliary enterprises	20,438	21,190	21,369	22,413	23,265
Other sources	<u>1,181</u>	<u>1,227</u>	<u>952</u>	<u>668</u>	<u>672</u>
Total operating revenue	79,916	87,350	90,931	95,058	105,619
OPERATING EXPENSES:					
Instruction	27,528	29,780	32,883	34,720	37,047
Research	2,118	2,113	2,998	3,398	3,277
Public services	838	818	802	951	910
Academic administration	4,000	4,632	5,265	5,449	6,248
Student services	8,885	9,250	10,126	9,476	10,388
Institutional support	15,691	17,235	17,962	17,508	18,787
Auxiliary enterprises	<u>23,115</u>	<u>24,208</u>	<u>23,542</u>	<u>23,450</u>	<u>23,894</u>
Total operating expenses	<u>82,175</u>	<u>88,036</u>	<u>93,578</u>	<u>94,952</u>	<u>100,551</u>
(Deficiency) excess of operating revenues over operating expenses	(2,259)	(686)	(2,647)	106	5,068
NON-OPERATING ACTIVITIES:					
Investment return less amount appropriated for current operations	(19,916)	(2,297)	10,331	4,142	10,020
Contributions for endowment and split interest agreements	3,439	4,970	5,743	6,927	5,432
Contributions for plant improvements	2,265	6,882	5,539	9,757	6,832
Changes in value of split interest agreements	<u>(20)</u>	<u>70</u>	<u>(133)</u>	<u>(89)</u>	<u>(79)</u>
Total non-operating activities	<u>(14,232)</u>	<u>9,625</u>	<u>21,480</u>	<u>20,737</u>	<u>22,205</u>
Increase (decrease) in net assets before cumulative effect of change in accounting principle	(16,491)	8,939	18,833	20,843	27,273
Cumulative effect of change in accounting principle					<u>(1,215)</u>
(Decrease) increase in net assets	(16,491)	8,939	18,833	20,843	26,058
Net assets - beginning of year	<u>197,624</u>	<u>181,133</u>	<u>190,072</u>	<u>208,905</u>	<u>229,748</u>
Net assets - end of year	<u>\$181,133</u>	<u>\$190,072</u>	<u>\$208,905</u>	<u>\$229,748</u>	<u>\$255,806</u>

Balance Sheet

The table below outlines the College's Balance Sheet as of June 30, 2006. This table is derived from, and should be read in conjunction with, the audited financial statements of the College as of and for the year ended June 30, 2006, included in Appendix B to this Official Statement.

Balance Sheet as of June 30, 2006 (In Thousands)

Assets

Cash and cash equivalents	\$ 6,731
Short-term investments	11,252
Student accounts receivable (net of allowance for doubtful accounts of \$12.5)	171
Student notes receivable (net of allowance for doubtful notes of \$399)	3,939
Other receivables	3,967
Pledges receivable, net	29,380
Other assets	3,095
Investments – long-term	181,236
Funds held by bond trustee	4,189
Property, plant, and equipment, net	<u>92,816</u>
Total Assets	<u>\$336,776</u>

Liabilities

Accounts payable and accrued expenses	\$ 8,667
Deferred revenues	3,190
Liability under split-interest agreements	5,541
Refundable government loan program	2,356
Postretirement benefits obligation	5,906
Asset retirement obligation	1,502
Long-term debt	<u>53,808</u>
Total Liabilities	<u>\$80,970</u>

Net Assets

Unrestricted	\$ 69,041
Temporarily restricted	87,280
Permanently restricted	<u>99,485</u>
Total Net Assets	<u>255,806</u>

Total Liabilities and Net Assets **\$336,776**

Net Assets

Unrestricted net assets of approximately \$69 million as of June 30, 2006 consisted primarily of long-term investments of \$45.9 million, \$13.9 million in land, facilities and funds designated for facilities, and \$9.2 million in other.

Temporarily restricted net assets are generally available for program purposes such as financial aid, instruction and plant improvements.

Permanently restricted net assets are restricted by the donor, the investment return from which is used to support program activities such as financial aid and instruction.

Fund Raising

In the most recent fiscal year, the College solicited more gifts and pledge commitments than it has in any prior year, including the most successful years from past capital campaigns. Overall cash contributions received and new commitments (pledges) were \$30.8 million in fiscal year 2006.

The following chart shows a five-year history of cash gifts received (cash gifts only, not including pledge commitments):

Fiscal Year Gifts Received (\$ in Thousands)

FY02	14,899
FY03	18,453
FY04	18,927
FY05	25,020
FY06	26,793

The College expects to receive \$41 million in gifts towards the Series 2007 Project. As of April 30, 2007, the College had received approximately \$20 million in cash gifts and an additional \$13.9 million in pledges for the Series 2007 Project.

Management Report of Operating Results

For the past five fiscal years, Barnard has shown an average growth rate of approximately 6.3% in Net Tuition and Fees. In addition, FY 2006 proved to be the most successful fundraising year in the College's history. The College reported \$30.8 million in total gifts in the 2006 audited financial statements.

Over the past five years, the College's total net assets have grown from \$181.1 million to \$255.8 million, marking an all-time high value for the College. The growth in net assets is attributable to increased fund-raising revenue, favorable investment performance, and tighter controls on operating expenditures.

Endowment

Endowment Investment Mix

The total return on Barnard's endowment for the year ended June 30, 2006 was 11.8%. Returns for the most recent 3, 5 and 10 year periods were 11.5%, 6.2% and 7.6%, respectively. In the past 10 years the market value of the endowment has more than doubled from \$83 million to \$171 million. Endowment growth has been in large part due to market appreciation, but new gift additions have played an important role in this gain.

In recent years, Barnard has modified its investment strategy and restructured the College's endowment portfolio. The portfolio includes a diversified set of asset types, along with a corresponding diversification of management styles and return expectations. Barnard continues to hold what has typically been considered "conventional" investments such as treasury, agency and corporate bonds and U.S. equity funds; in addition, the portfolio contains an increasing allocation of investments in other asset classes such as absolute return, real estate, and venture capital funds, which will take advantage of growth opportunities that are not specifically tied to the typical patterns of the traditional U.S. equity markets. At June 30, 2006, the College's long term investments were composed of the following: 29% in domestic equity; 20% in international equity; 18% in fixed income; 32% in alternative investments (real estate, venture capital, private equity and absolute return), and 1% in cash.

The Trustee Committee on Investments, composed of professionals in the field provides oversight to the College's investment strategy and asset allocation. In December 2006, the College hired Investure, LLC. as its outsourced chief investment officer.

Spending Policy

The College's endowment spending policy, adopted in 2003, is designed to conserve the principal of the endowment while providing a steady stream of revenue to support current operations. The policy is in the final phase of implementation. Under the policy, endowment spending is frozen at the 2002 dollar amount of \$9.1 million until such time that spending is between 4% and 6% of the trailing 12 quarter average fair value of the endowment. It is anticipated that the endowment spending policy will be fully implemented in the 2008-09 fiscal year. The policy has the ultimate goal of achieving an average 5% spending rate over time.

Pension Plans

Substantially all employees of the College are covered under two defined contribution pension plans established with Teachers Insurance and Annuity Association. The College's contributions to the pension plans are

based on specified percentages, ranging from 8% to 15%, of each employee's annual salary. Total pension expense for the fiscal years ended June 30, 2006 and June 30, 2005 was \$4.5 million and \$4.3 million respectively.

In addition to providing pension benefits, the College sponsors an unfunded defined benefit postretirement medical plan. As of June 30, 2006, the accrued post-retirement medical benefit cost recognized on the balance sheet was \$5.9 million. The total accumulated post-retirement medical benefit obligation was \$7.7 million as of June 30, 2006.

Campus Facilities

The Barnard campus occupies four acres of urban property along Broadway between 116th and 120th Streets in New York City. At the southern end of the campus, four residential buildings form an enclosed quadrangle. Barnard Hall is just north of the "Quad" and contains seminar rooms, classrooms, and faculty offices, as well as a gym, a swimming pool, and dance studios. The Sulzberger Parlor on the third floor is used for meetings and small social events. Adele Lehman Hall contains the Wollman Library and two floors of faculty offices and classrooms. The library includes the reserve room and the Lehman Computer Center on the first floor; the reference area, periodicals, microforms, and open book stacks on the second floor; and on the third floor, audiovisual facilities and more open stacks. Computer facilities for the Economics and Political Science departments are also located in Lehman Hall. The building overlooks a lawn surrounded by trees and shrubs.

Helen Goodhart Altschul Hall and the Millicent McIntosh Center face each other across an open plaza. The 14 stories of Altschul Hall are devoted primarily to the sciences and mathematics. Herbert H. Lehman Auditorium is on the first floor. McIntosh Center, which will be demolished in order to construct the Series 2007 Project, was the headquarters for student activities, including a snack bar, a lounge, student mailboxes, music practice rooms and classrooms.

Milbank Hall occupies the northern end of the campus and houses administrative and academic departments, faculty offices, classrooms, a greenhouse, and the Minor Latham Playhouse, a small, well-equipped modern theater. The language departments maintain social and reading rooms in Milbank Hall. In the immediate neighborhood, Barnard maintains additional residence halls, including Plimpton Hall and Elliot Hall, and 600, 616 and 620 West 116th Street, all apartment buildings. The College also rents additional residential spaces at 610 West 110th Street and at 210W 104th Street. Columbia is directly across the street on Broadway.

The Wollman Library occupies the first three floors of Lehman Hall; the Archives is located on the tunnel level. The Library's collection of more than 200,000 volumes contains books and periodicals intended to serve the curricular needs of the undergraduate students at Barnard. The Library's Media collection includes over 17,000 microforms and 16,000 audio visual materials and instructional videocassettes as well as audio materials and musical scores. In addition, the Library provides access to a variety of indexes and texts in electronic format. Reserve materials required for course reading are located on the first floor.

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Outstanding Indebtedness of the College

Long-term indebtedness of the College at June 30, 2006, is summarized as follows:

<u>Issue</u>	<u>Rate</u>	<u>Maturity</u>	<u>Outstanding</u>
Power Authority of the State of New York Non interest-bearing note	-	2007	\$ 162,558
Dormitory Authority of the State of New York Barnard College Insured Revenue Bonds, Series 1996*	5.0% - 5.25%	2026	24,555,000
Dormitory Authority of the State of New York Barnard College Insured Revenue Bonds, Series 2004	2.0% -4.75%	2035	28,915,000
Capital lease obligation	7.3%	2011	<u>867,931</u>
Total			<u>\$54,500,489</u>
Less unamortized bond discount			<u>692,300</u>
Total Outstanding Indebtedness			<u>\$53,808,189</u>

* The outstanding principal balance of the Series 1996 Bonds as of the date of closing of the Series 2007 Bonds will be redeemed with proceeds from the Series 2007A Bonds.

LITIGATION

Litigation and other claims incident to the operation of the College are pending against the College. While the ultimate liability, if any, of the College is not presently determinable, such litigation and other claims, in the judgment of the College, will not in the aggregate have a material adverse effect on the College's financial position.

PART 10 — 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 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 March 31, 2007, the Authority had approximately \$33.6 billion aggregate principal amount of bonds and notes outstanding, excluding indebtedness of the Agency assumed by the Authority on September 1, 1995 pursuant to the Consolidation Act. The debt service on each such issue of the Authority's bonds and notes is paid from moneys received by the Authority or the trustee from or on behalf of the entity having facilities financed with the proceeds from such issue or from borrowers in connection with its student loan program.

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

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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 March 31, 2007 were as follows:

Public Programs	Bonds Issued	Bonds Outstanding	Notes Outstanding	Bonds and Notes Outstanding
State University of New York				
Dormitory Facilities.....	\$ 1,975,416,000	\$ 752,200,000	\$ 0	\$ 752,200,000
State University of New York Educational and Athletic Facilities	11,351,092,999	4,804,109,869	0	4,804,109,869
Upstate Community Colleges of the State University of New York.....	1,366,010,000	575,980,000	0	575,980,000
Senior Colleges of the City University of New York	8,609,563,549	3,146,002,270	0	3,146,002,270
Community Colleges of the City University of New York	2,194,081,563	549,157,730	0	549,157,730
BOCES and School Districts	1,524,911,208	1,146,575,000	0	1,146,575,000
Judicial Facilities	2,161,277,717	745,382,717	0	745,382,717
New York State Departments of Health and Education and Other.....	3,182,915,000	2,001,240,000	0	2,001,240,000
Mental Health Services Facilities	5,682,130,000	3,720,620,000	0	3,720,620,000
New York State Taxable Pension Bonds	773,475,000	0	0	0
Municipal Health Facilities Improvement Program	913,895,000	829,085,000	0	829,085,000
Totals Public Programs.....	\$ 39,734,768,036	\$ 18,270,352,586	\$ 0	\$ 18,270,352,586

Non-Public Programs	Bonds Issued	Bonds Outstanding	Notes Outstanding	Bonds and Notes Outstanding
Independent Colleges, Universities and Other Institutions.....	\$ 14,187,576,020	\$ 6,764,268,039	\$115,998,000	\$ 6,880,266,039
Voluntary Non-Profit Hospitals.....	11,747,969,309	7,328,265,000	0	7,328,265,000
Facilities for the Aged.....	1,960,585,000	1,126,815,000	0	1,126,815,000
Supplemental Higher Education Loan Financing Program.....	95,000,000	0	0	0
Totals Non-Public Programs.....	\$ 27,991,130,329	\$ 15,219,348,039	\$115,998,000	\$ 15,335,346,039
Grand Totals Bonds and Notes	\$ 67,725,898,365	\$ 33,489,700,625	\$115,998,000	\$ 33,605,698,625

Outstanding Indebtedness of the Agency Assumed by the Authority

At March 31, 2007, the Agency had approximately \$632 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 March 31, 2007 were as follows:

Public Programs	Bonds Issued	Bonds Outstanding
Mental Health Services Improvement Facilities	\$ 3,817,230,725	\$ 0
Non-Public Programs	Bonds Issued	Bonds Outstanding
Hospital and Nursing Home Project Bond Program	\$ 226,230,000	\$ 3,930,000
Insured Mortgage Programs	6,625,079,927	592,999,927
Revenue Bonds, Secured Loan and Other Programs	2,414,240,000	34,635,000
Total Non-Public Programs	9,265,549,927	631,564,927
Total MCFFA Outstanding Debt	\$ 13,082,780,652	\$ 631,564,927

Governance

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

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

The current members of the Authority are as follows:

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 expired on March 31, 2007 and by law he continues to serve until a successor shall be chosen and qualified.

JOSE ALBERTO CORVALAN, M.D., *Secretary*, Armonk.

Dr. Corvalan was appointed as a Member of the Authority by the Governor on June 22, 2005. Dr. Corvalan is Chief of Laparoscopic Surgery at St. Vincent's Midtown Hospital in Manhattan. Dr. Corvalan is a Diplomate, American Board of Surgery, and is a Fellow of the American College of Surgeons and the New York Academy of Medicine. Dr. Corvalan has held a number of teaching positions and is Associate Professor of Surgery at New York Medical College, Valhalla, New York. His current term expires on March 31, 2008.

BRIAN RUDER, Scarsdale.

Mr. Ruder was appointed as a Member of the Authority by the Governor on June 23, 2006. He is Chief Executive Officer of Skylight Partners, a strategic marketing and business development consulting group that he

founded in 2001. Prior to Skylight Partners, Mr. Ruder served for four years as Executive Vice President of Global Marketing for Citigroup. He spent 16 years at the H.J. Heinz Co. in progressively responsible positions, including President of Heinz USA, President of Weight Watchers Food Company and corporate Vice President of Worldwide Infant Feeding. He also served as Director of Marketing, New Products and Sales for Pepsi USA in the mid-1980's. Mr. Ruder is Vice Chairman of the New York State Board of Science, Technology and Academic Research (NYSTAR), and also serves on the board of the Adirondack Council, the Scarsdale United Way, the New York Metro Chapter of the Young Presidents' Organization and 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. He is a member of the Board of Directors of Natural Health Trends Inc., a public company, where he chairs the Audit Committee. 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, 2007.

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, Delmar.

Dr. Hedges was appointed as a Member of the Authority by the Speaker of the State Assembly on February 24, 2003. Dr. Hedges currently serves as the Deputy Secretary of the New York State Assembly Committee on Ways and Means. Dr. Hedges serves on the Legislative Advisory Task Force on Demographic Research and Reapportionment. He previously served as the Director of Fiscal Studies of the Assembly Committee on Ways and Means where he was responsible for the preparation of studies of the New York State economy and revenues of local government, tax policy and revenue analyses, and for negotiating revenue and local government legislation for the Assembly. Dr. Hedges 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.

KEVIN R. CARLISLE, Averill Park.

Mr. Carlisle was appointed as a Member of the Authority by the Temporary President of the Senate on January 29, 2007. After a career in public housing and business consulting, Mr. Carlisle retired in 2003 as Assistant Commissioner of the state Division of Housing and Community Renewal ("DHCR") and Vice President of the New York State Housing Trust Fund Corporation. He was responsible for capital development programs which financed approximately 4,000 units annually, with a total development cost of \$500 million. He conceived the state's Homes for Working Families Program, which received the 1999 Award for Program Excellence from the National Council of State Housing Finance Agencies. Similarly, Mr. Carlisle implemented the Rural Leveraging Partnership Program,

which was cited as a national model by U.S. Rural Housing Services. He also served at DHCR as Director of Underwriting, Deputy Director of the Office of Rural Development, and designed the housing strategy that met the state's off-site commitment to induce the U.S. Army's 10th Mountain Division to locate at Fort Drum. Before he joined DHCR in 1982, Mr. Carlisle was a partner in Barrett Carlisle & Co., a real estate development and consulting firm, and served the City of Troy and the City of Cohoes in economic planning and real estate project management. Mr. Carlisle earned both a Bachelor's degree in Economics and a Master's degree in Urban and Environmental Studies from Rensselaer Polytechnic Institute.

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.

PAUL E. FRANCIS, *Budget Director for the State of New York, Westchester County; ex-officio.*

Mr. Francis was appointed Director of the Budget on January 1, 2007. As Director of the Budget, Mr. Francis heads the New York State Division of the Budget and serves as the chief fiscal policy advisor to the Governor. Mr. Francis is responsible for the overall development and management of the State's fiscal policy, including overseeing the preparation of budget recommendations for all State agencies and programs, economic and revenue forecasting, tax policy, fiscal planning, capital financing and management of the State's debt portfolio, as well as pensions and employee benefits. Mr. Francis also currently serves as a Senior Advisor to the Governor. Prior to his appointment to Director of the Budget and Senior Advisor to the Governor, Mr. Francis served as policy director for Governor Spitzer's gubernatorial campaign and transition team. His private sector experience includes managing partner of the Cedar Street Group, a venture capital firm he founded in 2001; chief financial officer for Priceline.com from its formation in 1997 to 2000; chief financial officer for Ann Taylor stores from 1993 to 1997; and managing director at Merrill Lynch & Co., where he worked from 1986 to 1993. Mr. Francis is a graduate of Yale College and New York University Law School.

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:

DAVID D. BROWN, IV is the Executive Director and chief administrative and operating officer of the Authority. Mr. Brown is responsible for the overall management of the Authority's administration and operations. He previously served as Chief of the Investment Protection Bureau in the Office of the New York State Attorney General, supervising investigations of the mutual fund and insurance industries. From 2000 to 2003, Mr. Brown served as Vice President and Associate General Counsel at Goldman, Sachs & Co., specializing in litigation involving equities, asset management and brokerage businesses. Prior to that, he held the position of Managing Director at Deutsche Bank, where he served as the senior litigation attorney, managing major litigations and customer disputes. From 1994 to 1998, Mr. Brown was Managing Director and Counsel and senior litigation attorney for Bankers Trust Corporation. He holds a Bachelor's degree from Harvard College and a Juris Doctor degree from Harvard Law School.

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. 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. 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.

LORA K. LEFEBVRE is the Managing Director of Portfolio Management. She is responsible for the supervision and direction of the Authority's health care monitoring and higher education monitoring groups. Prior to joining the Authority in 1995, Ms. Lefebvre worked for the New York State Division of Budget for nine years in a number of different capacities, working in subject areas that included the State University of New York, school aid and public authority oversight. She holds a Bachelor of Arts in Political Science from Alfred University and a Master's degree in Public Administration 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.

JAMES M. GRAY, R.A., 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. He has been with the Authority since 1986, and has held increasingly responsible positions within the Office of Construction, including Director of the State University of New York (SUNY) and Independent Institutions Construction Program. He began his public service career in 1977 in the New York State Office of General Services. He has been a registered architect in New York since 1983. Mr. Gray holds a Bachelor's degree in architecture from the New York Institute of Technology.

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 2007 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, 2006. Copies of the most recent audited financial statements are available upon request at the offices of the Authority.

PART 11 — LEGALITY OF THE SERIES 2007 BONDS FOR INVESTMENT AND DEPOSIT

Under New York State law, the Series 2007 Bonds are securities in which all public officers and bodies of the State and all municipalities and municipal subdivisions, all insurance companies and associations, all savings banks and savings institutions, including savings and loan associations, administrators, guardians, executors, trustees, committees, conservators and other fiduciaries in the State may properly and legally invest funds in their control.

The Series 2007 Bonds may be deposited with the State Comptroller to secure deposits of State moneys in banks, trust companies and industrial banks.

PART 12 — NEGOTIABLE INSTRUMENTS

The Series 2007 Bonds are negotiable instruments as provided in the Act, subject to the provisions for registration and transfer contained in the Resolution and in the Series 2007 Bonds.

PART 13 — TAX MATTERS

In the opinion of Squire, Sanders & Dempsey L.L.P., Bond Counsel, under existing law (i) interest on the Series 2007 Bonds is excluded from gross income for federal income tax purposes under Section 103(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations and (ii) interest on the Series 2007 Bonds is exempt from personal income taxes imposed by the State of New York and political subdivisions thereof, including The City of New York and the City of Yonkers. Bond Counsel will express no opinion as to any other tax consequences regarding the Series 2007 Bonds.

The opinion on federal tax matters will be based on and will assume the accuracy of (i) certain representations and certifications, and compliance with certain covenants, of the Authority and the College to be contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Series 2007 Bonds are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes and (ii) the opinions of Counsel to the College regarding, among other things, the current qualification of the College as an organization described in section 501(c)(3) and exempt from taxation under section 501(a) of the Code. Failure of the College to maintain its status as an organization described in Section 501(c)(3) of the Code, or to operate the facilities financed by the Series 2007 Bonds in a manner that is substantially related to the College's charitable purpose under Section 513(a) of the Code, may cause interest on the Series 2007 Bonds to be included in gross income retroactively to the date of the issuance of the Series 2007 Bonds. Bond Counsel will not independently verify the accuracy of the Authority's and the College's certifications and representations or the continuing compliance with the Authority's and the College's covenants and will not independently verify the accuracy of the opinion of the College's counsel.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to exclusion of interest on the Series 2007 Bonds from gross income for federal income tax purposes but is not a guaranty of that conclusion. The

opinion is not binding on the Internal Revenue Service (“IRS”) or any court. Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and the enforcement of the Code or those regulations by the IRS.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income purposes, some of which, require future or continued compliance after issuance of the Series 2007 Bonds in order for the interest to be and to continue to be so excluded from the date of issuance. Noncompliance with these requirements by the Authority or the College may cause the interest on the Series 2007 Bonds to be included in gross income for federal income tax purposes and thus to be subject to federal income tax retroactively to the date of their issuance. The Authority and the College have each covenanted to take the actions required of it for the interest on the Series 2007 Bonds to be and to remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. After the date of issuance of the Series 2007 Bonds, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel’s attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2007 Bonds or the market prices of the Series 2007 Bonds.

A portion of the interest on the Series 2007 Bonds earned by certain corporations may be subject to a federal corporate alternative minimum tax. In addition, interest on the Series 2007 Bonds may be subject to a federal branch profits tax imposed on certain foreign corporations doing business in the United States and to a tax imposed on excess net passive income of certain S corporations.

Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these or other tax consequences will depend upon the particular tax status or other tax items of the owner of the Series 2007 Bonds. Bond Counsel will express no opinion regarding those consequences.

Payments of interest on tax-exempt obligations, including the Series 2007 Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If a Series 2007 Bond owner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Purchasers of the Series 2007 Bonds at other than their original issuance at the respective prices indicated on the cover should consult their own tax advisers regarding other tax considerations such as the consequences of market discount.

Original Issue Premium

The Series 2007A Bonds as shown on the inside cover (the “Premium Bonds”) were offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity. That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner’s gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner’s tax basis in the Premium Bond is reduced by the amount of bond premium that accrues during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond. A purchaser of a Premium Bond in the initial public offering at a price for that Premium Bond Stated on the inside cover of this Official Statement who holds that Premium Bond to maturity (or, in the case of a callable Premium Bond, its earlier call date that results in the lowest yield on that Premium Bond) will realize no gain or loss upon the retirement of that Premium Bond.

Owners of Premium Bonds should consult their own tax advisers as to the determination for federal income tax purposes of the amount of bond premium properly accruable in any period with respect to the Premium Bonds

and as to other federal tax consequences and the treatment of bond premium for purposes of state and local taxes. See “Appendix E — Form of Approving Opinions of Bond Counsel.”

Miscellaneous

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress, and legislation affecting the exemption of interest thereon for purposes of taxation by the State may be considered by the State legislature. Court proceedings may also be filed the outcome of which could modify the tax treatment of obligations such as the Series 2007 Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Series 2007 Bonds will not have an adverse effect on the tax status of interest on the Series 2007 Bonds or the market value of the Series 2007 Bonds.

On May 21, 2007, the United States Supreme Court agreed to hear *Dep’t of Revenue of Kentucky v. Davis*. In the *Davis* case, the Kentucky Court of Appeals held that Kentucky’s exemption from taxation of interest on bonds issued by Kentucky or its political subdivisions and its taxation of interest on bonds issued by other states or their political subdivisions violates the Commerce Clause of the United States Constitution. The State exempts from taxation interest on bonds issued by the State or its political subdivisions and taxes interest on bonds issued by other states or their political subdivisions. It is not possible to predict how the United States Supreme Court will decide the *Davis* case or to predict any change in state law that would be occasioned by the United States Supreme Court’s affirmance of the *Davis* decision, nor is it possible to predict the effect, if any, of that affirmance or any change in state law on the tax status of interest on the Series 2007 Bonds for state tax purposes or on the market value of the Series 2007 Bonds.

Prospective purchasers of the Series 2007 Bonds should consult their own tax advisers regarding pending or proposed federal and state tax legislation, the *Davis* case and other court proceedings, and prospective purchasers of the Series 2007 Bonds at other than their original issuance at the respective prices indicated on the cover of this Official Statement should also consult their own tax advisers regarding other tax considerations such as the consequences of market discount, as to all of which Bond Counsel expresses no opinion.

PART 14 — STATE NOT LIABLE ON THE SERIES 2007 BONDS

The Act provides that notes and bonds of the Authority are not a debt of the State, that the State is not liable on them and that such notes and bonds are not payable out of any funds other than those of the Authority. The Resolution specifically provides that the Series 2007 Bonds are not a debt of the State and that the State is not liable on them.

PART 15 — 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 16 — LEGAL MATTERS

Certain legal matters incidental to the authorization and issuance of the Series 2007 Bonds by the Authority are subject to the approval of Squire, Sanders & Dempsey L.L.P., New York, New York, Bond Counsel, whose approving opinions will be delivered with the Series 2007 Bonds. The proposed form of Bond Counsel’s opinions are set forth in Appendix E hereto.

Certain legal matters will be passed upon for the College by its Counsel, Bond, Schoeneck & King, PLLC, Syracuse, New York. Certain legal matters will be passed upon for the Underwriters by their counsel, Hiscock & Barclay, LLP, Albany, New York. Certain legal matters will be passed upon for the Bank by its domestic counsel, Nixon Peabody LLP, New York, New York and by its in-house Irish counsel.

There is not now pending any litigation restraining or enjoining the issuance or delivery of the Series 2007 Bonds or questioning or affecting the validity of the Series 2007 Bonds or the proceedings and authority under which they are to be issued.

PART 17 — UNDERWRITING

The Underwriters have agreed, subject to certain conditions, to purchase the Series 2007A Bonds from the Authority at an aggregate purchase price of \$49,789,537.48 and to make a public offering of Series 2007A Bonds at prices that are not in excess of the public offering prices stated on the inside cover page of this Official Statement plus accrued interest. The Underwriters will be obligated to purchase all such Series 2007A Bonds if any are purchased.

RBC Dain Rauscher, Inc. doing business under the name RBC Capital Markets (the “Series 2007B Underwriter”), the sole underwriter of the Series 2007B Bonds, will agree, subject to certain conditions, to purchase the Series 2007B Bonds from the Authority at an aggregate purchase price of \$32,371,266.77 and to make a public offering of Series 2007B Bonds at prices that are not in excess of the public offering price stated on the inside cover page of this Official Statement plus accrued interest. The Series 2007B Underwriter will be obligated to purchase all such Series 2007B Bonds if any are purchased.

The Series 2007 Bonds may be offered and sold to certain dealers (including the Underwriters) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriters.

It is a condition to the Authority’s delivery of each Series of the Series 2007 Bonds, that the other Series be delivered concurrently therewith.

PART 18 — VERIFICATION OF MATHEMATICAL COMPUTATIONS

Causey Demgen & Moore, Inc., a firm of independent public accountants, will issue a report indicating that it has verified the mathematical accuracy of the mathematical computations of the adequacy of the cash, the maturing principal amounts and the interest on the obligations deposited with the Prior Trustee for the Refunded Bonds to pay the principal, interest and redemption price coming due on the Refunded Bonds on and prior to their respective maturity or redemption dates as described in “PART 7 — THE REFUNDING PLAN.” Causey Demgen & Moore, Inc., will express no opinion on the reasonableness of the assumptions provided to it, the likelihood that the principal of and interest on the Series 2007A Bonds will be paid as described in the schedules provided to it, or the exclusion of the interest on the Series 2007A Bonds from gross income for federal income tax purposes.

PART 19 — CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission (“Rule 15c2-12”), the College has undertaken in a written agreement for the benefit of the Series 2007 Bondholders to provide to Digital Assurance Certification LLC (“DAC”), on behalf of the Authority as the Authority’s disclosure dissemination agent, on or before 120 days after the end of each of its fiscal years, commencing June 30, 2007, for filing by DAC with each Nationally Recognized Municipal Securities Information Repository (each a “Repository”), and if and when one is established, the New York State Information Depository (the “State Information Depository”), on an annual basis, operating data and financial information of the type hereinafter described which is included in “PART 9 — THE COLLEGE” of this Official Statement (the “Annual Information”), together with the College’s annual financial statements prepared in accordance with generally accepted accounting principles and audited by an independent firm of certified public accountants in accordance with generally accepted auditing standards; *provided, however*, that if audited financial statements are not then available, unaudited financial statements shall be delivered to DAC for delivery to each Repository and to the State Information Depository when they become available.

If, and only if, and to the extent that it receives the Annual Information and annual financial statements described above from the College, DAC has undertaken in the Continuing Disclosure Agreement, on behalf of and as agent for the College and the Authority, to file such information and financial statements, as promptly as practicable, but no later than three business days after receipt of the information by DAC from the College, with each such Repository and to the State Information Depository, if any. In addition, the Authority, the College and the Trustee have undertaken, for the benefit of the Series 2007 Bondholders, to provide to DAC, in a timely manner, the notices required to be provided by Rule 15c2-12 described below (the “Notices”). Upon receipt of Notices from the

College, the Trustee or the Authority, DAC will file the Notices to each such Repository or to the Municipal Securities Rulemaking Board (the "MSRB"), and to the State Information Depository, in a timely manner. With respect to the Series 2007 Bonds, DAC has only the duties specifically set forth in the Continuing Disclosure Agreement. DAC's obligation to deliver the information at the times and with the contents described in the Continuing Disclosure Agreement is limited to the extent the College has provided such information to DAC as required by the Continuing Disclosure Agreement. DAC has no duty with respect to the content of any disclosure or Notices made pursuant to the terms of the Continuing Disclosure Agreement and DAC has no duty or obligation to review or verify any information contained in the Annual Information, Audited Financial Statements, Notices or any other information, disclosures or notices provided to it by the College or the Authority and shall not be deemed to be acting in any fiduciary capacity for the Authority, the College, the Holders of the Series 2007 Bonds or any other party. DAC has no responsibility for the Authority's failure to provide to DAC a Notice required by the Continuing Disclosure Agreement or duty to determine the materiality thereof. DAC shall have no duty to determine or liability for failing to determine whether the College or the Authority has complied with the Continuing Disclosure Agreement and DAC may conclusively rely upon certifications of the College and the Authority with respect to their respective obligations under the Continuing Disclosure Agreement. In the event the obligations of DAC as the Authority's disclosure dissemination agent terminate, the Authority will either appoint a successor disclosure dissemination agent or, alternatively, assume all responsibilities of the disclosure dissemination agent for the benefit of the Series 2007 Bondholders.

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

The Notices include notices of any of the following events with respect to the Series 2007 Bonds, if material: (1) principal and interest payment delinquencies; (2) non-payment related defaults; (3) unscheduled draws on credit enhancements reflecting financial difficulties; (4) substitution of credit or liquidity providers, or their failure to perform; (5) adverse tax opinions or events affecting the tax-exempt status of the Series 2007 Bonds; (6) modifications to the rights of Holders of the Series 2007 Bonds; (7) bond calls; (8) defeasances; (9) release, substitution, or sale of property securing repayment of the Series 2007 Bonds; and (10) rating changes. In addition, the Authority will undertake, for the benefit of the Holders of the Series 2007 Bonds, to provide to each Repository or the MSRB and to the State Information Depository, in a timely manner, notice of any failure by the College to provide the Annual Information and annual financial statements by the date required in the College's undertaking described above.

The sole and exclusive remedy for breach or default under the Continuing Disclosure Agreement is an action to compel specific performance of the undertakings of DAC, the College and/or the Authority, and no person, including any Holder of the Series 2007 Bonds, may recover monetary damages thereunder under any circumstances. The Authority or the College may be compelled to comply with their respective obligations under the Continuing Disclosure Agreement (i) in the case of enforcement of their obligations to provide information required thereunder, by any Holder of Outstanding Series 2007 Bonds or by the Trustee on behalf of the Holders of Outstanding Series 2007 Bonds or (ii) in the case of challenges to the adequacy of the information provided, by the Trustee on behalf of the Holders of the Series 2007 Bonds; provided, however, that the Trustee is not required to take any enforcement action except at the direction of the Holders of not less than 25% in aggregate principal amount of Series 2007 Bonds at the time Outstanding. A breach or default under the Continuing Disclosure Agreement does not constitute an Event of Default under the Resolution, the Series 2007 Resolutions or the Loan Agreement. In addition, if all or any part of Rule 15c2-12 ceases to be in effect for any reason, then the information

required to be provided under the Continuing Disclosure Agreement, insofar as the provision of Rule 15c2-12 no longer in effect required the providing of such information, will no longer be required to be provided.

The foregoing undertaking is intended to set forth a general description of the type of financial information and operating data that will be provided. The description is not intended to state more than general categories of financial information and operating data. Where an undertaking calls for information that no longer can be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect will be provided. The Continuing Disclosure Agreement may be amended or modified without the consent of the holders of Series 2007 Bonds under certain circumstances set forth therein. Copies of the executed Continuing Disclosure Agreement are on file at the principal office of the Authority.

PART 20 — RATINGS

Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc. ("Standard & Poor's") is expected to assign a rating of "AAA" to the Series 2007A Bonds and Moody's Investors Service ("Moody's"), is expected to assign a rating of "Aaa" to the Series 2007 Bonds, with the understanding that upon delivery of the Series 2007 Bonds, the Bond Insurance Policy insuring the payment when due of principal and interest on the Series 2007 Bonds will be issued by the Insurer. Moody's is expected to assign a short-term credit rating of "VMIG1" to the Series 2007B Bonds based on the Liquidity Facility to 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 the rating agencies at the following addresses: Standard & Poor's, 55 Water Street, New York, New York 10041; and Moody's, 99 Church Street, New York, New York 10007. There is no assurance that such ratings will prevail for any given period of time or that they will not be revised downward or withdrawn entirely by any or all of such rating agencies if, in the judgment of any or all of them, circumstances so warrant. Any such downward revision or withdrawal of such rating or ratings may have an adverse effect on the market price of the Series 2007 Bonds.

PART 21 — MISCELLANEOUS

References in this Official Statement to the Act, the Resolution, the Series 2007 Resolutions, the Loan Agreement, the Bond Insurance Policy and the Liquidity Facility do not purport to be complete. Refer to the Act, the Resolution, the Series 2007 Resolutions, the Loan Agreement, the Bond Insurance Policy and the Liquidity Facility for full and complete details of their provisions. Copies of the Resolution, the Series 2007 Resolutions, the Loan Agreement, the Bond Insurance Policy and the Liquidity Facility are on file with the Authority and the Trustee.

The agreements of the Authority with Holders of the Series 2007 Bonds are fully set forth in the Resolution. Neither any advertisement of the Series 2007 Bonds nor this Official Statement is to be construed as a contract with purchasers of the Series 2007 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 Insurer and the Bond Insurance Policy under "PART 2 — SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2007 BONDS — Bond Insurance" and in Appendix F has been furnished by the Insurer. 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 the Bank and the Liquidity Facility has been furnished by the Bank. No representation is made herein by the Authority, the College or the Underwriters 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, the Insurer or the Underwriters has made any independent investigation of the Bank or its Liquidity Facility.

“Appendix A — Certain Definitions,” “Appendix C — Summary of Certain Provisions of the Loan Agreement,” “Appendix D — Summary of Certain Provisions of the Resolution” and “Appendix E — Form of Approving Opinions of Bond Counsel” have been prepared by Squire, Sanders & Dempsey L.L.P., New York, New York, Bond Counsel.

“Appendix B — Financial Statements of Barnard College and Independent Auditors’ Report” contains the audited financial statements of the College as of and for the year ended June 30, 2006 and the report of the College’s independent auditors, KPMG LLP, on such financial statements. The Independent Auditors’ Report includes an explanatory paragraph describing the adoption of the provisions of Financial Accounting Standards Board Interpretation No. 47, Accounting for Conditional Asset Retirement Obligations.

The College has reviewed the parts of this Official Statement describing the College, the Series 2007 Project, the Principal and Interest Requirements, the Refunding Plan, the Estimated Sources and Uses of Funds and Appendix B. The College, as a condition to issuance of the Series 2007 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 Underwriters 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/ David D. Brown, IV
 Authorized Officer

CERTAIN DEFINITIONS

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CERTAIN DEFINITIONS

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

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

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

Annual Debt Service when used in connection with any Indebtedness, means as of any particular date of calculation the amount required to be paid by the College during the then current Fiscal Year to pay the principal, whether at maturity or upon mandatory redemptions and prepayments, of and interest on such Indebtedness.

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

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

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

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

Authorized Newspaper means **The Bond Buyer** or any other newspaper of general circulation printed in the English language and customarily published at least once a day for at least five (5) days (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 Chairman, the Vice-Chairman, the Treasurer, an Assistant Treasurer, the Secretary, an Assistant Secretary, the Executive Director, the Deputy Executive Director, the Chief Financial Officer, the Managing Director of Public Finance, the Managing Director of Construction, the Managing Director of Policy and Program Development, and the General Counsel, and when used with reference to any act or document also means any other person authorized by a resolution or the by-laws of the Authority to perform such act or execute such document; (ii) in the case of the College, the person or persons

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authorized to perform any act or sign any document by or pursuant to a resolution of the College's Board of Trustees or its Executive Committee or the by-laws of the College; and (iii) in the case of the Trustee, the President, a Vice President, a Corporate Trust Officer, an Assistant Corporate Trust Officer, a Trust Officer or an Assistant Trust Officer of the Trustee, and when used with reference to any act or document also means any other person authorized to perform any act or sign any document by or pursuant to a resolution of the Board of Directors of the Trustee or the by-laws of the Trustee.

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

Bond Counsel means Squire, Sanders & Dempsey L.L.P. or an attorney or other law firm appointed by the Authority, having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds.

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

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

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

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

Business Day means 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, however**, 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 Facility Provider of a Liquidity Facility for such Bonds are legally authorized to close in The City of New York.

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

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

College means Barnard College, an institution for higher education located in the State and authorized to confer degrees by law or by the Board of Regents of the State, or any successor thereto.

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

Continuing Disclosure Agreement means an agreement, entered into in connection with the issuance of one or more Series of Bonds, by and among the Authority, the College and the Trustee, or such other parties thereto designated at such times, providing for continuing disclosure.

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

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, fees and charges for execution, transportation and safekeeping of Bonds, premiums, fees and charges for insurance on Bonds, commitment fees or similar charges relating to a Reserve Fund Facility, a Liquidity Facility, an Interest Rate Exchange Agreement or a Remarketing Agent, costs and expenses of refunding Bonds 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 a 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 a 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 a Project, which is not paid by a contractor or otherwise provided for, (iv) the costs and expenses for design, test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, and for supervising construction of a Project, (v) costs and expenses required for the acquisition and installation of equipment or machinery, (vi) all other costs which the College shall be required to pay or cause to be paid for the acquisition, construction, reconstruction, rehabilitation, repair, improvement and equipping of a Project, (vii) any sums required to reimburse the College or the Authority for advances made by them for any of the above items or for other costs incurred and for work done by them in connection with a Project (including interest on moneys borrowed from parties other than the College), (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 a 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 Liquidity Facility or a Remarketing Agreement.

Counterparty means any person with which the Authority or the College has entered into an Interest Rate Exchange Agreement, provided that, at the time the Interest Rate Exchange Agreement is executed, the senior or uncollateralized long-term debt obligations of such person, or of any person that has guaranteed for the term of the Interest Rate Exchange Agreement the obligations of such person thereunder, are rated, without regard to qualification of such rating by symbols such as “+” or “-” and numerical notation, not lower than in the third highest rating category by each Rating Service.

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

Debt Service Reserve Fund means a reserve fund for the payment of the principal and Sinking Fund Installments of and interest on one or more Series of Bonds so designated, created and established by the Authority by or pursuant to a Series Resolution.

Debt Service Reserve Fund Requirement means the amount of moneys required to be deposited in the Debt Service Reserve Fund as determined in accordance with the Series Resolution pursuant to which such Debt Service Reserve Fund has been established.

Defeasance Security means any of the following:

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

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

(c) 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

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

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

Deferred Income Bond means any Bond as to which interest accruing thereon prior to the Interest Commencement Date of such Bond is compounded on each Valuation Date for such Bond, and as to which interest accruing after the Interest Commencement Date is payable semiannually on July 1 and January 1 of each Bond Year.

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

Event of Default, when used in connection with the Resolution, means each event described in Section 11.02 of the Resolution summarized in Appendix D under the heading “**Events of Default**” and, when used in connection with the Loan Agreement, means each event described in Section 30(a) of the Loan Agreement summarized in Appendix C under the heading “**Defaults and Remedies.**”

Exempt Obligation means any of the following:

(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;

(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.

Facility Provider means the issuer of any Reserve Fund Facility or Liquidity Facility.

Federal Agency Obligation means any of the following:

(i) an obligation issued by any federal agency or instrumentality approved by the Authority;

(ii) an obligation the principal of and interest on which are fully insured or guaranteed as to payment by a federal agency approved by the Authority;

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

(iv) a share or interest in a mutual fund, partnership or other fund wholly comprised of any of the foregoing obligations.

Government Obligation means any of the following:

(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 of principal and interest by the United States of America;

(iii) an obligation to which the full faith and credit of the United States of America are pledged;

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

(v) a share or interest in a mutual fund, partnership or other fund wholly comprised of any of the foregoing obligations.

Insurance Trustee means the person, if any, designated in the financial guaranty insurance policy issued by an Insurer in connection with a Series of Outstanding Bonds with whom funds are to be deposited by the Insurer to make payment pursuant to such policy on account of the principal and Sinking Fund Installments of and interest on the Bonds of such Series.

Insurer means any person, including but not limited to a firm, association or corporation, including public bodies and governmental agencies, which at the time of initial issuance of a Bond, issued at the request of the Authority or the College, a financial guaranty insurance policy pursuant to which such person is obligated to pay the Holder of such Bond the principal or Sinking Fund Installment of and interest on such Bond not otherwise paid by the Authority in accordance with the terms of such Bond and of the Resolution.

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

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

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under such agreement and (ii) in the opinion of Bond Counsel, will not adversely affect the exclusion of interest on Bonds from gross income for the purposes of federal income taxation.

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

Liquidity Facility means an irrevocable letter of credit, surety bond, loan agreement, Standby Purchase Agreement, line of credit or other agreement or arrangement issued or extended by a bank, a trust company, a national banking association, an organization subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or any successor provisions of law, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a savings bank, a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, a savings and loan association, an insurance company or association chartered or organized under the laws of any state of the United States of America, the Government National Mortgage Association or any successor thereto, the Federal National Mortgage Association or any successor thereto, or any other federal agency or instrumentality approved by the Authority, pursuant to which moneys are to be obtained upon the terms and conditions contained therein for the purchase or redemption of Option Bonds tendered for purchase or redemption in accordance with the terms of the Resolution and of the Series Resolution authorizing such Bonds or the Bond Series Certificate relating to such Bonds.

Loan Agreement means the Loan Agreement, dated as of July 23, 2003, by and between the Authority and the College in connection with the issuance of Bonds, as the same shall have been amended, supplemented or otherwise modified as permitted by the Resolution and by the Loan Agreement.

Maximum Annual Debt Service means on any date, when used with respect to the Bonds, the greatest amount required in the then current or any future calendar year to pay the sum of the principal and Sinking Fund Installments of and interest on Outstanding Bonds payable during such year assuming that a Variable Interest Rate Bond bears interest at a fixed rate of interest equal to that rate which, in the reasonable determination of an Authorized Officer of the Authority, such Variable Interest Rate Bond would have had to bear as a fixed rate bond to be marketed at par on the date of its initial issuance.

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

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

Option Bond means any Bond which by its terms may be or is required to be tendered by 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 in accordance with the Series Resolution authorizing such Bonds or the Bond Series Certificate related to such Bonds.

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

- (i) any Bond canceled by the Trustee at or before such date;
- (ii) any Bond deemed to have been paid in accordance with the Resolution;
- (iii) any Bond in lieu of or in substitution for which another Bond shall have been authenticated and delivered pursuant to the Resolution; and

(iv) Option Bonds tendered or deemed tendered in accordance with the provisions of the Series Resolution authorizing such Bonds or the Bond Series Certificate relating to 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 or the Bond Series Certificate relating to 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 any of the following:

(i) Government Obligations described in clauses (i), (ii) or (iii) of the definition of Government Obligations;

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

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

(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 nationally recognized statistical rating service in the highest rating category.

Permitted Encumbrances means when used in connection with a Project any of the following:

(i) The lien of taxes and assessments which are not delinquent;

(ii) The lien of taxes and assessments which are delinquent but the validity of which is being contested in good faith unless thereby the property or the interest of the Authority therein may be in danger of being lost or forfeited;

(iii) Minor defects and irregularities in the title to such property which do not in the aggregate materially impair the use of such property for the purposes for which it is or may be reasonably be expected to be held;

(iv) Easements, exceptions or reservations for the purpose of pipelines, telephone lines, telegraph lines, power lines and substations, roads, streets, alleys, highways, railroad purposes, drainage and sewerage purposes, dikes, canals, laterals, ditches, the removal of oil, gas, coal or other minerals, and other like purposes, or for the joint or common use of real property, facilities and equipment, which do not materially impair the use of such property for the purposes for which it is or may be reasonably be expected to be held;

(v) Any instrument recorded pursuant to Section 22 of the Loan Agreement summarized in Appendix C under the heading "**Restrictions on Religious Use**";

(vi) Those restrictions contained in the Deed and Land Disposition Agreement with respect to the Project, dated June 27, 2003;

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(vii) The Condominium Declaration for the Project; and

(viii) Such other encumbrances, defects and irregularities to which the Insurers' Consent and the prior written consent of the Authority have been obtained.

Permitted Investments means any of the following:

(i) Government Obligations;

(ii) Federal Agency Obligations;

(iii) Exempt Obligations;

(iv) Uncollateralized certificates of deposit that are fully insured by the Federal Deposit Insurance Corporation and issued by a banking organization authorized to do business in the State;

(v) Collateralized certificates of deposit that are (a) issued by a banking organization authorized to do business in the State that has an equity capital of not less than \$125,000,000, whose unsecured senior debt, or debt obligations fully secured by a letter or credit, contract, agreement or surety bond issued by it, are rated by at least one nationally recognized statistical rating service in at least the second highest rating category, and (b) are fully collateralized by Permitted Collateral; and

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

Project means each of the buildings and improvements, and the land appurtenant thereto, more particularly described in Schedule C of the Loan Agreement, acquired, constructed, reconstructed or otherwise renovated or improved with the proceeds of any Bonds; **provided, however**, such term does not include any of the foregoing if and to the extent that all Bonds issued in connection therewith are no longer Outstanding.

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

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

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

(ii) a bank, a trust company, a national banking association, a corporation subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or any successor provisions of law, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, a savings bank, a savings

and loan association, an insurance company or association chartered or organized under the laws of the United States of America, any state of the United States of America or any foreign nation, whose senior unsecured long term debt is at the time an investment with it is made is rated by at least one nationally recognized statistical rating service no lower than in the second highest rating category, or, in the absence of a rating on long term debt, whose short term debt is rated by at least one nationally recognized statistical rating service no lower than in the highest rating category for such short term debt; **provided, however**, that no short term rating may be utilized to determine whether an entity qualifies under this paragraph as a Qualified Financial Institution if the same would be inconsistent with the rating criteria of any Rating Service or Insurer of Outstanding Bonds;

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

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

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

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

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

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

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

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

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

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Reserve Fund Facility means a surety bond, insurance policy, letter of credit or other financial guaranty or instrument authorized by or pursuant to a Series Resolution establishing a Debt Service Reserve Fund to be delivered in lieu of or substitution of all or a portion of the moneys otherwise required to be held in such Debt Service Reserve Fund.

Resolution means the Authority's Barnard College Insured Revenue Bond Resolution, adopted July 23, 2003, as the same may be amended, supplemented or otherwise modified pursuant to the terms thereof.

Restricted Gift means, when used in connection with a Project, any gift, grant or bequest of money or other property made or given by any person the use of which has been restricted by such person to paying any cost or expense that constitutes a Cost of a Project.

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

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

Series 2007 Bonds means, collectively, the Series 2007A Bonds and the Series 2007B Bonds.

Series 2007 Project means the project or projects in connection with which the Series 2007 Bonds are being issued as determined by an Authorized Officer of the Authority pursuant to the Series 2007 Resolutions and more fully described in Schedule C to the Loan Agreement.

Series 2007 Resolutions means, collectively, the Series 2007A Resolution and the Series 2007B Resolution.

Series 2007A Bonds means the Bonds authorized by Article II of the Series 2007A Resolution.

Series 2007B Bonds means the Bonds authorized by Article II of the Series 2007B Resolution.

Series 2007A Resolution means the Barnard College Series 2007A Resolution Authorizing Up To \$81,000,000 Insured Revenue Bonds, Series 2007A.

Series 2007B Resolution means the Barnard College Series 2007B Resolution Authorizing Up To \$81,000,000 Insured Revenue Bonds, Series 2007B.

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

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

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

State means the State of New York.

Sub-Series means the grouping of the Bonds of a Series established by the Authority pursuant to the Series Resolution authorizing the issuance of the Bonds of such Series or the Bond Series Certificate related to such Series of Bonds.

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 each certificate of the Authority, including the appendices, schedules and exhibits thereto, executed in connection with the issuance of Bonds in which the Authority makes representations and agreements as to arbitrage and compliance with the provisions of Sections 141 through 150, inclusive, of the Internal Revenue Code of 1986, or any similar certificate, agreement or other instrument made, executed and delivered in lieu of said certificate, in each case as the same may be amended or supplemented.

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

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

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

Variable Interest Rate means the rate or rates of interest to be borne by a Series of Bonds or any one or more maturities within a Series of Bonds which is or may be varied from time to time in accordance with the method of computing such interest rate or rates specified in the Series Resolution authorizing such Bonds or the Bond Series Certificate relating to such Bonds and which shall be based on (i) a percentage or percentages or other function of an objectively determinable interest rate or rates (*e.g.*, a prime lending rate) which may be in effect from time to time or at a particular time or times; **provided, however**, that such variable interest rate may be subject to a Maximum Interest 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 Bond Series Certificate or (ii) a stated interest rate that may be changed from time to time as provided in such Series Resolution or Bond Series Certificate; **provided, further**, that such Series Resolution or Bond Series Certificate shall also specify either (x) the particular period or periods of time or manner of determining such period or periods of time for which each variable interest rate shall remain in effect or (y) the time or times at which any change in such variable interest rate shall become effective or the manner of determining such time or times.

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

Variable Rate Indebtedness means Indebtedness which does not bear interest at a stated fixed rate to its maturity date.

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2007B Bond Series Certificate Definitions

The following section of this Appendix A contains definitions of certain terms used in the forepart of this Official Statement, primarily under the caption “PART 3 – THE SERIES 2007 BONDS.” The definitions have been taken from the 2007B Bond Series Certificate and are not to be considered a full statement of all terms used in the 2007B Bond Series Certificate and, accordingly, are qualified by reference to and are subject to the 2007B Bond Series Certificate, a copy of which is on file with the Authority and the Trustee.

Auction Rate shall have the meaning given such term in the 2007B Bond Series Certificate.

Auction Rate Mode means a Rate Mode during which the Series 2007B Bonds bear interest at the Auction Rate.

Authorized Denominations means during any Daily Rate Period or any Weekly Rate Period, \$100,000 or any integral multiple of \$5,000 in excess thereof.

Available Moneys means, (a) whenever a Liquidity Facility is required by the 2007B Bond Series Certificate to be maintained for the Series 2007B Bonds (i) moneys obtained by the Trustee or the Tender Agent from the Provider thereof pursuant to such Liquidity Facility and held by the Tender Agent for payment of the Purchase Price of such Series 2007B Bonds, (ii) moneys derived from the remarketing of Series 2007B Bonds which are directly paid to and held by the Tender Agent for the payment of the Purchase Price of such Series 2007B Bonds in accordance with the 2007B Bond Series Certificate, (iii) moneys which have been on deposit with the Trustee or the Tender Agent, as applicable, for at least one hundred twenty-four (124) days prior to and during which no petition by or against the Authority or the College, under the United States Bankruptcy Code of 1978, as amended, 11 U.S.C. Sec. 101 et seq. (the **Bankruptcy Code**) shall have been filed or any bankruptcy or similar proceeding shall have been commenced, unless such petition or proceeding shall have been dismissed and such dismissal shall be final and not subject to appeal, (iv) any other moneys the application of which to the payment of the Purchase Price of the Series 2007B Bonds would not, in the opinion of Bond Counsel, constitute a voidable preference in the case of a filing for protection of the Authority or the College under the Bankruptcy Code and (v) the proceeds from the investment of moneys described in clauses (i) through (iv) above; and (b) at any other time, any moneys.

Bank Bond means any Series 2007B Bond during the period from and including the date it is purchased or paid for by a Provider pursuant to a Liquidity Facility to, but excluding, the earliest of (a) the date on which the principal, Redemption Price or Purchase Price of such Series 2007B Bond, together with all interest accrued thereon, is paid with amounts other than amounts drawn under the Liquidity Facility, (b) the date on which the registered owner of a Series 2007B Bond has given written notice of its determination not to sell such Series 2007B Bond following receipt of a purchase notice from the Remarketing Agent with respect to such Series 2007B Bond, or, if notice of such determination is not given on or before the Business Day next succeeding the day such purchase notice is received, the second Business Day succeeding receipt of such purchase notice or (c) the date on which such Series 2007B Bond is to be purchased pursuant to an agreement by the registered owner of such Series 2007B Bond to sell such Series 2007B Bond following receipt of a purchase notice from the Remarketing Agent with respect to such Series 2007B Bond, if the Trustee then holds, in trust for the benefit of such registered owner, sufficient moneys to pay the Purchase Price of such Series 2007B Bond, together with the interest accrued thereon to the date of purchase.

Bank Bond Rate means the rate at which a Bank Bond bears interest in accordance with a Liquidity Facility or the Reimbursement Agreement providing for the issuance of a Liquidity Facility; **provided, however**, that in no event shall such rate exceed the Maximum Rate applicable thereto.

Business Day when used in connection with any particular Series 2007B Bonds means a day other than (a) a Saturday and Sunday or a (b) a day on which any of the following are authorized or required to remain closed: (i) banks or trust companies chartered by the State of New York or the United States of America, (ii) the Trustee, (iii) the New York Stock Exchange or (iv) if such Series 2007B Bonds are in the Daily Rate Mode or the Weekly Rate Mode, the Tender Agent, the Remarketing Agent or the Provider of a Liquidity Facility for such Series 2007B Bonds.

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Certificate of Determination means a certificate of an Authorized Officer of the Authority executed upon the Conversion of Series 2007B Bonds out of a Rate Mode to an Initial Rate Period, if necessary, prior to the Conversion of Series 2007B Bonds to a Daily Rate Mode, a Weekly Rate Mode, a Commercial Paper Mode or an Auction Rate Mode, setting forth the Initial Rate, the Initial Rate Period, the first Interest Payment Date if other than a date on which interest would otherwise be payable under the 2007B Bond Series Certificate, and the matters required by the 2007B Bond Series Certificate relating to a Liquidity Facility.

Commercial Paper Mode means a Rate Mode during which the Series 2007B Bonds bear interest at the Commercial Paper Rate.

Commercial Paper Rate shall have the meaning given such term in the 2007B Bond Series Certificate.

Conversion means a change in the Rate Mode of a Series 2007B Bond made in accordance with the provisions of the 2007B Bond Series Certificate.

Conversion Date means the day on which a Series 2007B 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 in accordance with the provisions of the 2007B Bond Series Certificate.

Conversion Notice means a notice given pursuant to the 2007B Bond Series Certificate.

Daily Rate shall have the meaning given such term in the 2007B Bond Series Certificate.

Daily Rate Mode means a Rate Mode during which the Series 2007B Bonds bear interest at the Daily Rate.

Default Notice means a notice given by a Provider of a Liquidity Facility pursuant to such Liquidity Facility or the applicable Reimbursement Agreement to the effect that an event of default thereunder has occurred and that the Liquidity Facility will terminate on the date specified in such notice.

Fixed Rate shall have the meaning given such term in the 2007B Bond Series Certificate.

Fixed Rate Mode means a Rate Mode during which the Series 2007B Bonds bear interest at the Fixed Rate.

Initial Rate when used in connection with any particular Series 2007B Bond means the rate per annum at which such Series 2007B Bond will bear interest during the Initial Rate Period, as set forth in the 2007B Bond Series Certificate and, when used in connection with a Conversion, the respective rates per annum set forth in a Certificate of Determination.

Initial Rate Period (a) when used in connection with any particular Series 2007B Bonds, means the period commencing on the date the Series 2007B Bonds are issued and extending to and including the date set forth in the 2007B Bond Series Certificate as the last day of the Initial Rate Period, and (b) when used in connection with a Conversion, the period commencing on the Conversion Date and extending to and including the date set forth in a Certificate of Determination as the last day of the Initial Rate Period.

Interest Payment Date means (a) with respect to any particular Series 2007B Bond, the day next succeeding the last day of any Initial Rate Period for such Series 2007B Bond and (b) during any Daily Rate Period or Weekly Rate Period, the first Business Day of each month; **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 shall 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.

Liquidity Facility when used in connection with any particular Series 2007B Bond means a Liquidity Facility as defined in the Resolution, which meets the requirements of the 2007B Bond Series Certificate or substitute Liquidity Facility delivered in accordance with the 2007B Bond Series Certificate, and which initially shall mean the Standby Bond Purchase Agreement, dated as of the date the Series 2007B Bonds are issued by and among the College, the Tender Agent and DEPFA BANK plc, acting through its New York Branch.

Maximum Rate means (a) in the case of a Series 2007B Bond bearing interest at any Rate other than a Bank Bond Rate, twelve percent (12.00%) per annum and (b) in the case of a Series 2007B Bond bearing interest at a Bank Bond Rate, twenty-five percent (25.00%) per annum; **provided, however**, that in no event shall the Rate at which any Series 2007B Bond bears interest exceed the maximum rate permitted by law.

Provider when used in connection with any particular Series 2007B Bonds means the provider of a Liquidity Facility for such Series 2007B Bonds delivered in accordance with the provisions of the 2007B Bond Series Certificate.

Purchase Account means the account so designated and established within the Purchase and Remarketing Fund pursuant to the 2007B Bond Series Certificate.

Purchase and Remarketing Fund means the Series 2007B Bonds Purchase and Remarketing Fund established pursuant to the 2007B Bond Series Certificate.

Purchase Price means: when used in relation to Tendered Bonds, other than Series 2007B Bonds tendered upon a Conversion from the Fixed Rate Mode or Term Rate Mode, an amount equal to one hundred percent (100%) of the principal amount of any Series 2007B Bond tendered or deemed tendered to the Tender Agent for purchase pursuant to the 2007B Bond Series Certificate; **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.

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

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

Reimbursement Agreement means any agreement by and between the College (and/or the Authority) and the Provider of a Liquidity Facility pursuant to which the Provider has provided the Liquidity Facility and the College has agreed to reimburse the Provider for money advanced by the Provider for payment of the Purchase Price of Series 2007B Bonds tendered or deemed tendered for purchase in accordance herewith, and which initially shall mean the Standby Bond Purchase Agreement, dated as of the date of issuance, by and among the College, the Tender Agent and DEPFA BANK plc, acting through its New York Branch.

Remarketing Agent means a person appointed pursuant the 2007B Bond Series Certificate to serve as the Authority's agent in accordance with a Remarketing Agreement in connection with the remarketing of Series 2007B Bonds in the Commercial Paper Mode, the Daily Rate Mode, the Weekly Rate Mode or the Term Rate Mode and to perform the duties of a Remarketing Agent under the 2007B Bond Series Certificate and under the Remarketing Agreement, or any successor remarketing agent.

Remarketing Agreement means the agreement by and between the Authority, the College and the Remarketing Agent relating to the remarketing of particular Series 2007B Bonds in the Commercial Paper Mode, the Daily Rate Mode, the Term Rate Mode or the Weekly Rate Mode, as the same may be amended or supplemented from time to time in accordance with the provisions thereof, or any subsequent agreement relating to the powers, duties and obligations of a successor remarketing agent.

Remarketing Proceeds Account means the account so designated and established within the Purchase and Remarketing Fund pursuant to the 2007B Bond Series Certificate.

Appendix A

Reset Date means with respect to a Series 2007B Bond in a Daily Rate Mode, a Commercial Paper Mode, a Weekly Rate Mode or a Term Rate Mode, the date on which the interest rate borne by such Series 2007B Bond is to be determined in accordance with the provisions of the 2007B Bond Series Certificate.

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 Swap Index for the most recent Wednesday, 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.

Tendered Bond means a Series 2007B 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 2007B Bond Series Certificate, including a Series 2007B Bond or portion thereof deemed tendered, but not surrendered on the applicable Tender Date.

Term Rate shall have the meaning given such term in the 2007B Bond Series Certificate.

Term Rate Mode means a Rate Mode designated as such in a Conversion Notice in which a Series 2007B Bond in such Rate Mode bears interest at a Term Rate.

2007 Bond Series Certificate means the Bond Series Certificate made and executed pursuant to Section 2.03 of the Series 2007B Resolution.

Weekly Rate shall have the meaning given such term in the 2007B Bond Series Certificate.

Weekly Rate Mode means a Rate Mode in which a Series 2007B Bond in such Rate Mode bears interest at a Weekly Rate.

**FINANCIAL STATEMENTS OF BARNARD COLLEGE,
AND INDEPENDENT AUDITORS' REPORT**

Appendix B

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BARNARD COLLEGE

Financial Statements

June 30, 2006

(With Independent Auditors' Report Thereon)

BARNARD COLLEGE

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KPMG LLP
345 Park Avenue
New York, NY 10154

Independent Auditors' Report

The Board of Trustees
Barnard College:

We have audited the accompanying balance sheet of Barnard College (the College) as of June 30, 2006, and the related statements of activities and cash flows for the year 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 audit. The prior year summarized comparative information has been derived from the College's financial statements as of and for the year ended June 30, 2005, which were audited by other auditors, whose report dated October 14, 2005 expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Barnard College as of June 30, 2006, and the changes in its net assets and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

As discussed in note 6 to the financial statements, in 2006 the College adopted the provisions of Financial Accounting Standards Board Interpretation No 47, *Accounting for Conditional Asset Retirement Obligations*.

KPMG LLP

October 12, 2006

BARNARD COLLEGE

Balance Sheet

June 30, 2006

(with comparative financial information as of June 30, 2005)

Assets	2006	2005
Cash and cash equivalents	\$ 6,731,481	14,891,687
Short-term investments	11,252,022	2,955,620
Student accounts receivable (net of allowance of \$12,500 in 2006 and \$14,200 in 2005)	170,699	113,473
Student notes receivable (net of allowance of \$399,400 in 2006 and \$359,000 in 2005)	3,938,581	3,829,342
Other receivables	3,966,839	2,111,607
Pledges receivable, net (note 3)	29,380,347	26,476,340
Other assets	3,095,128	3,599,328
Investments – long-term (note 4)	181,236,482	162,430,424
Funds held by bond trustee (note 8)	4,188,934	29,356,966
Property, plant, and equipment, net (note 5)	92,815,710	65,350,087
Total assets	<u>\$ 336,776,223</u>	<u>311,114,874</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 8,666,815	11,638,454
Deferred revenues	3,190,309	2,693,032
Liability under split-interest agreements	5,541,260	5,486,944
Refundable government loan program	2,355,961	2,382,367
Postretirement benefits obligation (note 7)	5,905,559	5,345,590
Asset retirement obligation (note 6)	1,501,791	—
Long-term debt (note 8)	53,808,189	53,820,258
Total liabilities	<u>80,969,884</u>	<u>81,366,645</u>
Net assets (note 11):		
Unrestricted	69,041,525	70,108,848
Temporarily restricted	87,279,855	66,230,809
Permanently restricted	99,484,959	93,408,572
Total net assets	<u>255,806,339</u>	<u>229,748,229</u>
Total liabilities and net assets	<u>\$ 336,776,223</u>	<u>311,114,874</u>

See accompanying notes to financial statements.

BARNARD COLLEGE

Statement of Activities

Year ended June 30 2006

(with summarized financial information for the year ended June 30, 2005)

	2006			Total	2005 Total
	Unrestricted	Temporarily restricted	Permanently restricted		
Operating revenue:					
Tuition and fees	\$ 68,892,790	—	—	68,892,790	62,980,761
Less financial aid allowance	(19,836,135)	—	—	(19,836,135)	(17,847,216)
Net tuition and fees	49,056,655	—	—	49,056,655	45,133,545
State appropriations	238,911	—	—	238,911	245,535
Investment return designated for current operations (note 4)	2,929,806	6,147,194	—	9,077,000	9,077,000
Other investment income	1,139,445	254,431	—	1,393,876	709,263
Federal grants and contracts	1,917,819	746,186	—	2,664,005	3,220,224
State grants	—	703,745	—	703,745	687,531
Private gifts and grants	7,968,081	10,579,153	—	18,547,234	12,904,467
Auxiliary enterprises	23,265,006	—	—	23,265,006	22,412,536
Other sources	553,633	119,014	—	672,647	667,672
Net assets released from restrictions	10,146,511	(10,146,511)	—	—	—
Total operating revenue	97,215,867	8,403,212	—	105,619,079	95,057,773
Operating expenses:					
Instruction	37,046,656	—	—	37,046,656	34,719,251
Research	3,277,206	—	—	3,277,206	3,398,498
Public services	910,429	—	—	910,429	950,814
Academic administration	6,248,037	—	—	6,248,037	5,449,303
Student services	10,387,891	—	—	10,387,891	9,475,675
Institutional support	18,786,574	—	—	18,786,574	17,508,505
Auxiliary enterprises	23,894,163	—	—	23,894,163	23,449,858
Total operating expenses	100,550,956	—	—	100,550,956	94,951,904
(Deficiency) excess of operating revenue over operating expenses	(3,335,089)	8,403,212	—	5,068,123	105,869
Nonoperating activities:					
Investment return in excess of amount appropriated for operations (note 4)	2,892,778	7,127,460	—	10,020,238	4,141,994
Contributions for endowment and split-interest agreements	—	214,253	5,218,202	5,432,455	6,926,633
Contributions for plant improvements	—	6,831,993	—	6,831,993	9,757,632
Net assets released for plant improvements	590,219	(590,219)	—	—	—
Change in donor designations	—	(858,185)	858,185	—	—
Changes in value of split-interest agreements	—	(79,468)	—	(79,468)	(88,764)
Total nonoperating activities	3,482,997	12,645,834	6,076,387	22,205,218	20,737,495
Increase in net assets before cumulative effect of change in accounting principle	147,908	21,049,046	6,076,387	27,273,341	20,843,364
Cumulative effect of change in accounting principle (note 6)	(1,215,231)	—	—	(1,215,231)	—
(Decrease) increase in net assets	(1,067,323)	21,049,046	6,076,387	26,058,110	20,843,364
Net assets – beginning of year	70,108,848	66,230,809	93,408,572	229,748,229	208,904,865
Net assets – end of year	\$ 69,041,525	87,279,855	99,484,959	255,806,339	229,748,229

See accompanying notes to financial statements

BARNARD COLLEGE

Statement of Cash Flows

Year ended June 30, 2006

(with comparative financial information for the year ended June 30, 2005)

	<u>2006</u>	<u>2005</u>
Cash flows from operating activities:		
Increase in net assets	\$ 26,058,110	20,843,364
Adjustments to reconcile increase in net assets:		
Net cash (used in) provided by operating activities:		
Cumulative effective of change in accounting principle	1,215,231	—
Contributions for endowment and split-interest agreements	(5,432,455)	(6,926,633)
Contributions for plant improvements	(6,831,993)	(9,757,632)
Net gain on investments long-term	(16,293,698)	(11,017,475)
Accretion of asset retirement obligation	88,342	—
Depreciation and amortization	6,723,615	6,108,758
Changes in assets and liabilities:		
Student accounts receivable	(57,226)	138,183
Other receivables	(1,855,232)	1,076,228
Pledges receivable	(5,420,453)	(1,540,945)
Other assets	421,869	(284,773)
Accounts payable and accrued expenses	(3,074,309)	29,018
Refundable government loan program	55,717	83,841
Deferred revenue	497,277	78,151
Postretirement benefits payable	559,969	439,590
Net cash used in operating activities	<u>(3,345,236)</u>	<u>(730,325)</u>
Cash flows from investing activities:		
Purchase of investments	(164,639,581)	(66,135,975)
Proceeds from the sale of investments	153,933,489	70,529,755
Building renovations and purchase of equipment	(32,986,645)	(7,888,599)
Student loans granted	(710,874)	(1,027,748)
Student loans repaid	519,512	535,438
Net cash used in investing activities	<u>(43,884,099)</u>	<u>(3,987,129)</u>
Cash flows from financing activities:		
Decrease in funds held by bond trustees	25,168,032	1,294,827
Payment of principal notes and bonds payable	(934,113)	(881,919)
Increase in liability under split-interest agreements	54,316	165,998
Contributions for endowment and split-interest agreements	6,534,939	7,934,884
Contributions for plant improvements	8,245,955	4,603,779
Net cash provided by financing activities	<u>39,069,129</u>	<u>13,117,569</u>
Net change in cash and cash equivalents	<u>(8,160,206)</u>	<u>8,400,115</u>
Cash and cash equivalents – beginning of year	<u>14,891,687</u>	<u>6,491,572</u>
Cash and cash equivalents – end of year	\$ <u><u>6,731,481</u></u>	\$ <u><u>14,891,687</u></u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	\$ 2,542,196	3,087,121
Assets under capital leases	880,125	—

See accompanying notes to financial statements.

BARNARD COLLEGE

Notes to Financial Statements

June 30, 2006

(with comparative financial information as of June 30, 2005)

(1) Organization

Barnard College (the College) is a not-for-profit independent liberal arts college for women. The College is exempt from federal income taxes under the provisions of Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3).

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting. 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 by actions of the College and/or the passage of time.

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

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 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, that is, the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed, are reported as net assets released from restrictions.

(b) Contributions

Contributions, including unconditional promises to give (pledges), are reported as revenues in the period received or pledged. Pledges, less an allowance for uncollectible amounts, are recorded as receivables at the net present value, determined using a discount rate commensurate with the rate on U.S. Treasury bills, whose maturities correspond to the maturities of the pledges. Amortization of the discount is recorded as additional contribution revenue in accordance with the donor-imposed restrictions, if any. Restricted pledges are reported as additions to the appropriate restricted net assets class. Contributions of cash or other assets that must be used to acquire or construct long-lived assets are reported as temporarily restricted net assets until the assets are placed in service.

(c) Cash and Cash Equivalents

Cash and cash equivalents include highly liquid debt instruments with original maturities of 90 days or less. Such debt instruments are held by the College for operating and capital funding purposes.

BARNARD COLLEGE

Notes to Financial Statements

June 30, 2006

(with comparative financial information as of June 30, 2005)

(d) Short-Term Investments

Short-term investments include debt instruments with maturities greater than 90 days, which are used for operating activities. These investments are reported at fair value based on quoted market prices.

(e) Investments Long-Term

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

All investment transactions are recorded on a trade-date basis.

(f) Student Accounts Receivable

Student accounts receivable are reported at the estimated net realizable amount.

(g) Student Notes Receivable

Student notes receivable are loans to students, which are made from the College's restricted loan funds and the Federal Perkins Loan program. The notes are reported at the estimated net realizable value.

(h) Property, Plant, and Equipment

Property, plant, and equipment is stated at cost or, in the case of gifts, at fair value at the date of the gift, less accumulated depreciation and amortization. Depreciation and amortization are computed on the straight-line basis over the estimated useful lives of the assets as follows:

Buildings	60 years
Building improvements	20 to 30 years
Furniture, fixtures, and equipment	5 to 10 years

(i) Deferred Revenues

Deferred revenues consist primarily of student tuition and fee payments that are received for academic periods subsequent to the fiscal year end.

(j) Split-Interest Agreements

The College is the beneficiary of trusts, annuities, and pooled income funds. The College's interest in these split-interest agreements is reported as a contribution in the year received and is calculated as the difference between the fair value of the assets contributed to the College and the estimated liability to the beneficiary. This liability is computed using actuarially determined rates and is adjusted annually. The assets held by the College under these arrangements are recorded at fair value

BARNARD COLLEGE

Notes to Financial Statements

June 30, 2006

(with comparative financial information as of June 30, 2005)

as determined by quoted market price and are included as a component of investments long-term in the accompanying financial statements.

(k) Operating and Nonoperating Activities

The statement of activities distinguishes between operating and nonoperating activities. Nonoperating activities consist of investment return in excess of or less than the amount appropriated for operations by the board of trustees, the change in value of split-interest agreements, contributions for endowment and split-interest agreements and plant improvements, and nonrecurring items.

(l) Categories of Expense

Expenses are reported in functional categories. Each category includes salaries and benefits, supplies and other expenses, including operation and maintenance of physical plant, interest and depreciation expense related to the function.

- a. *Instruction* – includes expenses for all activities that are part of the College's instruction program.
- b. *Research* – includes all expenses for governmental and privately sponsored research.
- c. *Public Services* – includes activities established to provide noninstructional services such as the Women's Center, the New York State Science and Technology Entry Program (STEP), and Liberty Partnership Program.
- d. *Academic Administration* – includes expenses incurred to provide administrative support to the instructional program. This category includes the Provost, Library, Academic Computing, and Media Services.
- e. *Student Services* – includes expenses incurred for the offices of Dean of the College, Admissions, Registrar, Financial Aid Administration, Career Development, Disability Services, and the New York State Higher Education Opportunity Program (HEOP). In addition, it includes expenses for student-related activities outside the context of the formal instructional program such as intramural and intercollegiate athletics.
- f. *Institutional Support* – includes expenses for College-wide activities such as the offices of the President, Finance and Planning, Development, Administration, Administrative Computing, General Counsel, and Public Affairs.
- g. *Auxiliary Enterprises* – provides services to students for a fee that is directly related to, although not necessarily equal to, the cost of the services. This category includes Housing, Dining Services, Health and Counseling Services, and the Summer and Pre-college Programs.

(m) Allocation of Certain Expenses

The College allocates operation and maintenance of plant and depreciation of buildings in the statement of activities based upon building square footage. Interest expense on outstanding long-term debt is included in auxiliary enterprises as the debt has funded residential hall expansions.

BARNARD COLLEGE

Notes to Financial Statements

June 30, 2006

(with comparative financial information as of June 30, 2005)

(n) Use of Estimates

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

(o) Reclassifications

Certain 2005 amounts have been reclassified to conform to the 2006 presentation.

(p) Prior Period Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with the College's financial statements for the year ended June 30, 2005 from which the summarized information was derived.

(3) Pledges Receivable

Pledges receivable at June 30, 2006 and 2005 are as follows:

	<u>2006</u>	<u>2005</u>
Amounts expected to be collected in:		
Less than one year	\$ 1,115,783	1,209,696
One to five years	26,740,416	26,261,486
Greater than five years	<u>6,627,258</u>	<u>2,361,988</u>
	34,483,457	29,833,170
Less:		
Discount to present value (using rate of 2.7% – 6.1%)	(3,897,376)	(2,124,702)
Allowance for uncollectible pledges	<u>(1,205,734)</u>	<u>(1,232,128)</u>
Net pledges receivable	<u>\$ 29,380,347</u>	<u>26,476,340</u>

As of June 30, 2006 and 2005, 55% and 49%, respectively, of gross pledges receivable were due from six donors.

BARNARD COLLEGE

Notes to Financial Statements

June 30, 2006

(with comparative financial information as of June 30, 2005)

(4) Investments – Long-Term

At June 30, 2006 and 2005, investments long-term are composed of the following:

	<u>2006</u>	<u>2005</u>
Domestic equity – stocks and mutual funds	\$ 51,848,232	65,601,408
International equity funds	36,393,860	20,498,987
Fixed income – direct holdings and funds	33,132,947	28,000,693
Alternative investments	57,444,319	44,116,899
Cash	2,417,124	4,212,437
Total	<u>\$ 181,236,482</u>	<u>162,430,424</u>

Investments long-term are held in the following funds:

	<u>2006</u>	<u>2005</u>
Trust and pooled life income funds	\$ 10,095,426	9,821,049
Endowment and designated as endowment funds	171,141,056	152,609,375
Total	<u>\$ 181,236,482</u>	<u>162,430,424</u>

The College has a total return policy of utilizing its endowment resources. To the extent that the total return requirement for the current year is not achieved by income from investments, the College utilizes prior year's cumulative appreciation of its pooled investment funds.

BARNARD COLLEGE
Notes to Financial Statements

June 30, 2006
(with comparative financial information as of June 30, 2005)

The following table summarizes the investment return of endowment and funds designated for endowment for the years ended June 30, 2006 and 2005:

	<u>2006</u>			<u>Total 2005</u>
	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Total</u>	
Interest and dividends (net of expenses of \$825,720 in 2006 and 802,000 in 2005)	\$ 619,563	2,183,977	2,803,540	2,201,519
Net realized gain	4,771,140	9,996,236	14,767,376	5,504,985
Unrealized gain	431,881	1,094,441	1,526,322	5,512,490
Long-term return on investments	5,822,584	13,274,654	19,097,238	13,218,994
Investment return designated for operations	<u>(2,929,806)</u>	<u>(6,147,194)</u>	<u>(9,077,000)</u>	<u>(9,077,000)</u>
Investment return in excess of amounts designated for operations	<u>\$ 2,892,778</u>	<u>7,127,460</u>	<u>10,020,238</u>	<u>4,141,994</u>

(5) Property, Plant, and Equipment

Property, plant, and equipment consists of the following at June 30, 2006 and 2005:

	<u>2006</u>	<u>2005</u>
Land	\$ 1,233,967	1,233,967
Buildings and building improvements	158,317,542	127,716,186
Furniture, fixtures, and equipment	22,810,101	19,893,803
Construction in progress	4,718,983	4,547,172
Asset retirement costs	404,666	—
	<u>187,485,259</u>	<u>153,391,128</u>
Less accumulated depreciation	<u>(94,669,549)</u>	<u>(88,041,041)</u>
Total	<u>\$ 92,815,710</u>	<u>65,350,087</u>

BARNARD COLLEGE

Notes to Financial Statements

June 30, 2006

(with comparative financial information as of June 30, 2005)

(6) Asset Retirement Obligation

In March 2005, the Financial Accounting Standards Board issued Interpretation No. 47 (FIN 47), *Accounting for Conditional Asset Retirement Obligations*, which the College adopted as of July 1, 2005. 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 has identified asbestos abatement and lead paint exposure as conditional asset retirement obligations. Asbestos abatement costs and lead paint exposure were estimated using a per square foot estimate.

Using a discount rate of 6.25%, the present value of the initial obligation amounted to \$1,413,450. As of July 1, 2005, the College has recorded asset retirement costs of \$404,666, related accumulated depreciation of \$206,447, and a cumulative effect of change in accounting principle of \$1,215,231.

(7) Retirement Plans

Most full time employees of the College are covered under two defined contribution pension plans established with Teachers Insurance and Annuity Association. The College's contributions to the pension plans are based on specified percentages, ranging from 8% to 15%, of each employee's annual salary. Total pension expense for the years ended June 30, 2006 and 2005 was \$4,479,000 and \$4,256,000, respectively.

In addition to providing pension benefits, the College sponsors unfunded defined benefit postretirement medical plans. For nonunion employees to be eligible for the medical benefits, the employee must be at least 62 years old with at least 10 years of continuous service immediately prior to retirement or a total of age and years of service equal to 80 with a minimum of 15 years of service. To be eligible, union employees must be 62 years old and employed by the College for at least 10 years.

The following tables identify the accumulated postretirement medical benefit obligation, the postretirement benefit payable recognized in the accompanying balance sheet, the net periodic postretirement medical benefit cost recognized in the accompanying statement of activities, and the related assumptions:

	<u>2006</u>	<u>2005</u>
Accumulated postretirement medical benefit obligation	\$ (7,709,250)	(8,026,396)
Unrecognized prior service (credit) cost	(396,149)	84,000
Unrecognized net loss	<u>2,199,840</u>	<u>2,596,806</u>
Accrued benefit cost recognized in the balance sheet	\$ <u>(5,905,559)</u>	<u>(5,345,590)</u>
Net periodic postretirement medical benefit cost	\$ 930,519	788,000
Weighted-average discount rate used to determine benefit obligations at June 30	6.25%	5.00%
Weighted-average discount rate used to determine net periodic benefit cost for the fiscal years ended June 30	5.00%	6.25%

BARNARD COLLEGE

Notes to Financial Statements

June 30, 2006

(with comparative financial information as of June 30, 2005)

Assumed healthcare cost trend rates:

	<u>2006</u>	<u>2005</u>
	(Union/Nonunion)	
Healthcare cost trend rate	10%/11%	9%/12%
Healthcare cost trend assumed to decline	5%/5%	5%/5%
Ultimate trend rate achieved	2012	2012

In June 2006, the College amended the postretirement medical benefits for its nonunion employees. The amendment changed the plan to include enhanced Medicare Part D drugs. The effect of the plan amendment was to decrease the overall obligation by \$437,000.

The College makes contributions to the postretirement medical plans equal to the benefits paid on a pay-as-you-go basis. During the years ended June 30, 2006 and 2005, the College paid \$332,000 and \$315,000, respectively, for medical benefits. For the years ending June 30, 2007 through June 30, 2016, the College expects to make contributions to the plans and benefit payments as follows:

2007	\$	298,000
2008		343,000
2009		379,000
2010		428,000
2011		468,000
2012 through 2016		3,061,000

The Medicare Modernization Act of 2003 (the Act) was signed into law on December 8, 2003. The Act created a new prescription drug program under Part D of Medicare and also provided a subsidy to employers who provide prescription drug coverage, which is at least equivalent to the Part D program provided by Medicare. The College has obtained an actuarial attestation confirming that the College's postretirement medical benefit is equivalent to Part D of Medicare.

BARNARD COLLEGE

Notes to Financial Statements

June 30, 2006

(with comparative financial information as of June 30, 2005)

(8) Long-Term Debt

Long-term debt consists of the following:

	<u>2006</u>	<u>2005</u>
Dormitory Authority of the State of New York Barnard College Insured Revenue Bonds, Series 2004 Interest at 2% to 4.75%, due serially to 2035	\$ 28,915,000	28,915,000
Dormitory Authority of the State of New York Barnard College Insured Revenue Bonds, Series 1996 Interest at 5% to 5.25%, due serially to 2026	24,555,000	25,355,000
Capital lease obligation	867,931	—
Noninterest-bearing note payable to the Power Authority of the State of New York due in monthly installments of \$10,160 through October 2007	162,558	284,477
Total	<u>54,500,489</u>	<u>54,554,477</u>
Less unamortized bond discount	<u>(692,300)</u>	<u>(734,219)</u>
Total long-term debt	<u>\$ 53,808,189</u>	<u>53,820,258</u>

In February 2004, the College entered into a loan agreement with the Dormitory Authority of the State of New York to issue \$28,915,000 Dormitory Authority of the State of New York Barnard College Insured Revenue Bonds, Series 2004. The loan agreement is a general and unsecured obligation of the College. In accordance with the provisions of the loan agreement, the College is required to deposit construction and reserve funds with a trustee. These funds were \$1,208,288 and \$26,457,947 at June 30, 2006 and June 30, 2005, respectively, and were held in cash at June 30, 2006 and invested in an investment repurchase agreement at June 30, 2005.

In December 1996, the College entered into a loan agreement with the Dormitory Authority of the State of New York to issue \$30,000,000 Dormitory Authority of the State of New York Barnard College Insured Revenue Bonds, Series 1996. The loan agreement is a general obligation of the College. As security under the loan agreement, the College has pledged tuition and fee revenues of \$2,125,000 annually, has granted a mortgage on certain buildings and properties, and a security interest in certain furnishings, fixtures, and equipment now or hereafter located therein. In accordance with the provision of the loan agreement, the College is required to deposit reserve funds with the trustee. These funds, which totaled \$2,980,646 at June 30, 2006 and \$2,899,019 at June 30, 2005, were invested in U.S. Government securities.

In May 2006, the College entered into a long-term capital lease obligation expiring May 2011 for a new dormitory phone system in the amount of \$880,125. Interest on the lease is 7.3%.

In April 1998, the College completed a loan agreement with the Power Authority of the State of New York to finance the implementation of approved energy conservation improvement projects. This noninterest-bearing loan amounted to \$1,097,267 and is repayable over a term of 108 months. Interest imputed at 5.5% totaled \$237,273, of which \$6,162 is unamortized as of June 30, 2006.

BARNARD COLLEGE

Notes to Financial Statements

June 30, 2006

(with comparative financial information as of June 30, 2005)

Projected debt service payments on the long-term debt for five years subsequent to June 30, 2006 and thereafter are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 1,114,175	1,940,136	3,054,311
2008	1,644,411	2,499,520	4,143,931
2009	1,671,160	2,424,429	4,095,589
2010	1,749,484	2,338,982	4,088,466
2011	1,821,259	2,247,017	4,068,276
Thereafter	46,500,000	26,998,925	73,498,925
	<u>\$ 54,500,489</u>	<u>38,449,009</u>	<u>92,949,498</u>

(9) Allocation of Depreciation Expense

Depreciation expense is allocated to functions, as follows:

	<u>2006</u>	<u>2005</u>
Instruction	\$ 1,332,924	1,281,607
Research	477,006	407,246
Public services	3,227	3,571
Academic support	711,142	553,980
Student services	310,056	323,794
Institutional support	449,966	434,050
Auxiliary enterprises	3,315,045	2,971,192
	<u>\$ 6,599,366</u>	<u>5,975,440</u>

(10) Intercorporate Agreement

An intercorporate agreement between the College and Columbia University provides for payment for the exchange of certain services between the two institutions. These services include cross-registration for students, library services, faculty exchange, and certain special services and support costs.

The accompanying statements of activities includes expenses in the amount of \$2,223,000 and \$2,210,000 for the years ended June 30, 2006 and 2005, respectively, for services provided under the terms of the agreement.

BARNARD COLLEGE

Notes to Financial Statements

June 30, 2006

(with comparative financial information as of June 30, 2005)

(11) Net Assets

Unrestricted net assets are as follows at June 30, 2006 and 2005:

	<u>2006</u>	<u>2005</u>
Endowment funds	\$ 45,909,989	41,797,312
Invested in plant, net of debt	13,942,029	19,471,663
Other	<u>9,189,507</u>	<u>8,839,873</u>
	<u>\$ 69,041,525</u>	<u>70,108,848</u>

Temporarily restricted net assets are available for the following purposes at June 30, 2006 and 2005:

	<u>2006</u>	<u>2005</u>
Program services:		
Instruction, research, and library	\$ 31,712,333	28,191,955
Financial aid	20,926,359	16,537,713
Plant improvements	27,091,301	20,849,526
Gifts to be designated	<u>7,549,862</u>	<u>651,615</u>
	<u>\$ 87,279,855</u>	<u>66,230,809</u>

Permanently restricted net assets are restricted to at June 30, 2006 and 2005:

	<u>2006</u>	<u>2005</u>
Investments to be held in perpetuity, the earnings from which are expendable to support:		
Financial aid	\$ 56,394,962	53,669,653
Instructional and other programs	<u>43,089,997</u>	<u>39,738,919</u>
	<u>\$ 99,484,959</u>	<u>93,408,572</u>

(12) Released from Restrictions for Operations

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by donors.

BARNARD COLLEGE

Notes to Financial Statements

June 30, 2006

(with comparative financial information as of June 30, 2005)

Purpose restrictions accomplished were as follows for the year ended June 30, 2006:

Expenses:	
Instruction	\$ 3,205,012
Research	574,554
Public service	322,058
Academic support	163,916
Student services	703,025
Institutional support	73,682
Financial aid	5,024,119
Auxiliary enterprises	80,145
Total	<u>\$ 10,146,511</u>

Net assets released from restriction in plant improvements are reflected in the accompanying statement of activities as a component of nonoperating activity.

(13) Commitments and Contingencies

(a) Investments

Certain of the College's partnership investments require future cash commitments. Future cash commitments amount to approximately \$12,056,000 at June 30, 2006 and \$11,800,000 at June 30, 2005. All commitments will be funded from other endowment investments.

(b) Legal Matters

The College is a defendant in various lawsuits. Management of the College is of the opinion that the ultimate resolution of these matters will not have a material adverse effect on the College's financial position.

(14) Fair Value of Financial Instruments

The following methods and assumptions were used by the College in estimating the fair value of its financial instruments:

- a. *Short-Term Investments* – Fair value is based on quoted market prices.
- b. *Investments - Long-Term* – Fair value is based on quoted market prices for investments in equity securities with readily determinable fair values and all investments in debt securities. Investments without readily determinable fair values are reported at fair value as reported by the investment managers. The College reviews and evaluates the values provided by the investment managers and agrees with the valuation methods and assumptions used in determining the fair value.

BARNARD COLLEGE

Notes to Financial Statements

June 30, 2006

(with comparative financial information as of June 30, 2005)

- c. *Pledges Receivable* – Pledges receivable are recorded at their net present value.
- d. *Notes Receivable* – The fair value of the notes receivable is estimated at \$3,088,000 using the current federal student's lending rate.
- e. *Accounts Payable and Accrued Expenses* – The carrying amount reported in the balance sheet approximates fair value.
- f. *Long-Term Debt* – The fair value of the long-term debt is estimated to be \$54,169,000 based on prevailing available rates.

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

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SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT

The following is a brief summary of certain provisions of the Loan Agreement. This summary does not purport to be complete and reference is made to the Loan Agreement for full and complete statements of such and all provisions. The headings below are not part of the Loan Agreement but have been added for ease of reference. Defined terms used herein shall have the meaning ascribed to them in Appendix A.

Construction or Acquisition of the Project

The College 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 College 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, **provided, however**, that in the event the College purchases a completed Project and the Contract Documents specify a predetermined purchase price, the College agrees to pay such purchase price only pursuant to the Contract Documents. Subject to the conditions of the Loan Agreement, the Authority will, to the extent of moneys available in the Construction Fund, cause the College to be reimbursed for, or pay, any costs and expenses incurred by the College which constitute Costs of the Project, provided such costs and expenses are approved by the Authority, which approval shall not be unreasonably withheld.

(Section 5)

Amendment of Projects

The College, with the prior written consent of the Authority, which consent will not be unreasonably withheld, may amend a Project to decrease, increase or otherwise modify the scope thereof. Any such increase may provide for the addition of any further acquisition, design, construction, reconstruction, rehabilitation, renovation, improving, or otherwise providing, furnishing and equipping of a Project which the Authority is authorized to undertake. After the date of the Loan Agreement, the College shall not enter into, amend or modify, by change order or otherwise, any Contract Document that materially affects the scope or nature of a Project, without the prior written approval of the Authority, which approval shall not be unreasonably withheld. The College shall deliver to the Authority copies of such change orders as the Authority may from time to time request. The College shall provide such moneys as in the reasonable judgment of the Authority may be required for the cost of completing the Project in excess of the moneys in the Construction Fund established for such Project, whether such moneys are required as a result of an increase in the scope of the Project or otherwise. Such moneys shall be paid to the Trustee for deposit in the Construction Fund within fifteen (15) days after receipt by the College of written notice from the Authority that such moneys are required.

(Section 6)

Financial Obligations

(a) Except to the extent that moneys are available therefor under the Resolution or the Loan Agreement, including moneys in the Debt Service Fund, and interest accrued but unpaid on investments held in the Debt Service Fund, but excluding moneys in any Debt Service Reserve Fund held for the benefit of a Series of Bonds, the College 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:

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

Appendix C

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

(iii) Three days (or the preceding Business Day if such day is not a Business Day) prior to an interest payment date on Outstanding Variable Interest Rate Bonds, the interest coming due on such Variable Interest Rate Bonds on such interest payment date, assuming that such Bonds will, from and after the next succeeding date on which the rates at which such Bonds bear interest are to be determined, bear interest at a rate per annum equal to the rate per annum for such Bonds on the immediately preceding Business Day, plus one percent (1%) per annum;

(iv) On the tenth (10th) day of each month commencing on the tenth (10th) day of the sixth (6th) month immediately preceding the date on which interest on Outstanding Bonds that are not Variable Interest Rate Bonds becomes due, one-sixth ($1/6$) of the interest coming due on such Bonds on the immediately succeeding interest payment date on such Bonds; **provided, however**, that, if with respect to such Outstanding Bonds there are more or less than six (6) such payment dates prior to the first interest payment on such Bonds, on each payment date prior to such interest payment date the College 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 payment dates prior to the first interest payment date on such Bonds;

(v) On the tenth (10th) day of each month commencing on the tenth (10th) day of the July immediately preceding the July 1 on which the principal or a Sinking Fund Installment of Outstanding Bonds becomes due, one-twelfth ($1/12$) of the principal and Sinking Fund Installment on such Bonds coming due on such July 1; **provided, however**, that, if with respect to the Outstanding Bonds there are less than twelve (12) such payment dates prior to the July 1 on which principal or Sinking Fund Installments come due on such Bonds, on each payment date prior to such July 1 the College shall pay with respect to such Bonds an amount equal to the principal and Sinking Fund Installments of such Bonds coming due on such July 1 multiplied by a fraction, the numerator of which is one (1) and the denominator of which is the number of payment dates prior to such July 1; **provided, however**, with respect to Sinking Fund Installments of Option Bonds or Variable Interest Rate Bonds that come due in months other than July, the terms of this subsection shall apply except that references to July shall be replaced with the applicable month(s) in which the related Sinking Fund Installment comes due;

(vi) Except as provided below, by 1:30 p.m., New York City time, on the day on which payment of the purchase price of an Option Bond tendered for purchase which has not been remarketed or remarketed at less than the principal amount thereof and for which there is no Liquidity Facility then in effect, is due, the purchase price of such Option Bond, which shall be paid in immediately available funds; **provided, however**, that (A) if the College has received notice that such payment is due after 10:00 a.m., New York City time, but prior to 3:00 p.m., New York City time, on such day, then payment by the College shall be made by 5:00 p.m., New York City time on such day, and (B) if such notice is given after 3:00 p.m., New York City time, on such day, then payment by the College shall be made by 10:00 a.m. on the next succeeding Business Day;

(vii) 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, other than an Option Bond to be purchased or redeemed pursuant to an optional or mandatory tender thereof or bonds being redeemed pursuant to Sinking Fund Installments in accordance with clause (v) above, is to be paid, the amount required to pay the Redemption Price or purchase price of such Bonds;

(viii) On December 10 of each Bond Year one-half ($1/2$) of the Annual Administrative Fee payable during such Bond Year in connection with each Series of Bonds, and on June 10 of each Bond Year the balance of the Annual Administrative Fee payable during such Bond Year;

provided, however, that the Annual Administrative Fee with respect to a Series of Bonds payable during the Bond Year during which such Annual Administrative Fee became effective shall be equal to the Annual Administrative Fee with respect to such Series of Bonds multiplied by a fraction the numerator of which is the number of calendar months or parts thereof remaining in such Bond Year and the denominator of which is twelve (12);

(ix) 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 (A) for the Authority Fee then unpaid, (B) to reimburse the Authority for payments made by it pursuant to the provisions of the Loan Agreement summarized in paragraph (e) below and any expenses or liabilities incurred by the Authority pursuant to provisions of the Loan Agreement summarized under the headings “**Covenant as to Insurance**” and “**Taxes and Assessments**” below and other provisions of the Loan Agreement related to indemnity by the College, (C) 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 by the Authority under a Remarketing Agreement or a Liquidity Facility, (D) for the costs and expenses incurred by the Authority to compel full and punctual performance by the College of all the provisions of the Loan Agreement or of the Resolution in accordance with the terms thereof, (E) for the fees and expenses of the Trustee and any Paying Agent in connection with performance of their duties under the Resolution, (F) to restore a Debt Service Reserve Fund to its Debt Service Reserve Fund Requirement, and (G) to pay any Provider Payments then due and unpaid;

(x) Promptly upon demand by the Authority (a copy of which shall be furnished to the Trustee), all amounts required to be paid by the College as a result of an acceleration pursuant to the provisions of the Loan Agreement summarized under the heading “**Defaults and Remedies**” below;

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

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

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

The Authority pursuant to the Loan Agreement directs the College, and the College agrees, to make the payments required by the provisions of the Loan Agreement summarized in this paragraph (a) as follows: (i) the payments required by paragraphs (a)(iii), (a)(iv), (a)(v), (a)(vii), (a)(ix)(F) and (a)(x) directly to the Trustee for deposit and application in accordance with the Resolution; (ii) the payments required by paragraph (a)(ii) directly to the Trustee for deposit in the Construction Fund or other fund established under the Resolution, as directed by the Authority; (iii) the payments required by paragraphs (a)(i), (a)(viii) and (a)(ix) (other than pursuant to clause (F)

Appendix C

thereof) directly to the Authority; and (iv) except as otherwise provided by the Loan Agreement, the payments required by paragraphs (a)(vi), (a)(xi) and (a)(xii) to or upon the written order of the Authority.

(b) Notwithstanding any provisions in the Loan Agreement or in the Resolution to the contrary (except as otherwise specifically provided for in this paragraph), all moneys paid by the College to the Trustee pursuant to the Loan Agreement or otherwise held by the Trustee shall be applied in reduction of the College's indebtedness to the Authority under the Loan Agreement, first, with respect to interest and, then, with respect to the principal amount of such indebtedness, but only to the extent that, with respect to interest on such indebtedness, such moneys are applied by the Trustee for the payment of interest on Outstanding Bonds, and, with respect to the principal of such indebtedness, such moneys have been applied to, or are held for, payments in reduction of the principal amount of Outstanding Bonds and as a result thereof Bonds have been paid or deemed to have been paid in accordance with the provisions of the Resolution summarized in Appendix D under the heading "Defeasance." 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.

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

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

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

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

(f) The College, if it is not then in default under the Loan Agreement, shall have the right to make voluntary payments in any amount to the Trustee. In the event of a voluntary payment, the amount so paid shall be deposited in the Debt Service Fund and applied in accordance with the Resolution or held by the Trustee for the payment of Bonds in accordance with the Resolution. Upon any voluntary payment by the

College or any payment made pursuant to the provisions of the Loan Agreement summarized under the heading “**Sale of the Project**” below, 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 the Resolution, the Authority agrees, in accordance with the instructions of the College, to direct the Trustee to purchase or redeem all Bonds Outstanding, or to cause all Bonds Outstanding to be paid or to be deemed paid in accordance with Section 12.01(b) of the Resolution.

(g) If the College elects to purchase Bonds, with the written consent of the Authority and the Insurer, the College shall give written notice to the Authority, the Trustee and the Insurer whenever Bonds are to be purchased at the election of the College, 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 therefore is available on the date set for each such purchase.

(Section 9)

Warranty of Title; Utilities and Access

The College warrants, represents and covenants to the Authority that (i) it has, or shall have upon acquisition of the Project, good and marketable title to each Project, 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 College’s programs and (ii) the College has, or shall have upon acquisition of a Project, such rights of way, easements or other rights in land as may be reasonably necessary for ingress and egress to and from the Projects for proper operation and utilization of the Project and for utilities required to serve the Projects, together with such rights of way, easements or other rights in, to and over land as may be necessary for construction by the College of the Project.

The College warrants, represents and covenants that the Project (i) is, or shall upon acquisition be serviced by all necessary utilities (including, to the extent applicable, without limitation, electricity, gas, water, sewer, steam, heating, air-conditioning and ventilation) and (ii) subject to the applicable condominium agreements, rules and regulations with respect to any portion of the Project that consists of condominium units or common facilities benefiting any portion of a Project that consists of condominium units, to the extent applicable, has, or shall have upon acquisition of such Project its own separate and independent means of access, apart from any other property owned by the College or others; **provided, however**, that such access may be through common roads or walks owned by the College used also for other parcels owned by the College.

(Section 13)

Additional Representation and Covenants

The College warrants and represents that (i) it has the requisite power and authority (A) to authorize, execute and deliver, and to perform its obligations under, the Loan Agreement and the Related Agreements, and (B) to incur the indebtedness contemplated by the Loan Agreement and thereby, (ii) the Loan Agreement and the Related Agreements constitute valid and binding obligations of the College enforceable in accordance with their terms and (iii) the execution and delivery of, consummation of the transaction contemplated by and performance of the College’s obligations under the Loan Agreement and each of the Related Agreements, do not violate, conflict with or constitute a default under the charter or by-laws of the College or any indenture, mortgage, trust, or other commitment or agreement to which the College is a 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 College or any of its properties.

(Section 15)

Appendix C

Tax-Exempt Status of College

The College represents that: (i) it is an organization described in Section 501(c)(3) of the Code, or corresponding provisions of prior law, and is not a “private foundation,” as such term is defined under Section 509(a) of the Code; (ii) it has received a letter or other notification from the Internal Revenue Service to that effect; (iii) such letter or other notification has not been modified, limited or revoked; (iv) it is in compliance with all terms, conditions and limitations, if any, contained in such letter or other notification; (v) the facts and circumstances which form the basis of such letter or other notification as represented to the Internal Revenue Service continue to exist; and (vi) it is exempt from federal income taxes under Section 501(a) of the Code, except for payment of unrelated business income tax. The College 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 College as an educational 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 any act, enter into any agreement or use or permit any Project to be used in a manner, or for any trade or business unrelated to the educational purposes of the College, which could adversely affect the exclusion of interest on the Bonds from federal gross income pursuant to Section 103 of the Code.

(Section 16)

Securities Acts Status

The College represents that: (i) it is an organization organized and operated (A) exclusively for educational or charitable purposes and (B) not for pecuniary profit; and (ii) no part of the net earnings of which inures to the benefit of any person, private stockholder or individual, all within the meaning, respectively, of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended. The College agrees that it shall not perform any act or enter into any agreement which shall adversely affect such status as set forth in the Loan Agreement.

(Section 17)

Maintenance of Corporate Existence

The College covenants that it will (i) maintain its corporate existence, (ii) continue to operate as a non-profit educational organization, (iii) obtain, maintain and keep in full force and effect such governmental approvals, consents, licenses, permits and accreditation as may be necessary for it to continue to so operate, (iv) except as expressly permitted by the Loan Agreement, not dissolve or otherwise dispose of all or substantially all of its assets or consolidate with or merge into another person or permit one or more persons to consolidate with or merge into it. The College, with the Insurers’ Consent and the prior written consent of the Authority, may (A) sell or otherwise transfer all or substantially all of its assets to, or consolidate with or merge into, another organization or corporation which qualifies as an organization described in Section 501(c)(3) of the Code, or any successor provision of federal income tax law, (B) permit one or more corporations or any other organization to consolidate with or merge into it, or (C) acquire all or substantially all of the assets of one or more corporations or other organizations. Notwithstanding the foregoing provisions, no disposition, transfer, consolidation or merger otherwise permitted by the Loan Agreement shall be permitted unless (1) the same would not in the opinion of Bond Counsel adversely affect the exclusion of interest on any Bond from gross income for purposes of federal income taxation, (2) the College will not as a result thereof be in default under the Loan Agreement or under any Related Agreement, (3) the surviving, resulting or transferee corporation, as the case may be, is incorporated under the laws of the State and is qualified as an organization described in Section 501(c)(3) of the Code or any successor provision of federal income tax law, and (4) the surviving, resulting or transferee corporation of the College assumes in writing all of the obligations of the College under the Loan Agreement, under the Continuing Disclosure Agreement, and under the Related Agreements, and furnishes to the Authority and each Insurer (x) a certificate to the effect that upon such sale, transfer, consolidation, merger or acquisition such corporation will be in compliance with each of the

provisions of the Loan Agreement and of the Related Agreements, and will meet the requirements of the Act, and (y) such other certificates and documents as the Authority or an Insurer may reasonably require to establish compliance with the Loan Agreement.

(Section 18)

Environmental Quality Review and Historic Preservation

For the purpose of assisting the Authority in making any findings or determinations which might be required by (i) Article 8 of the New York Environmental Conservation Law and the regulations promulgated thereunder (collectively, “SEQR”) or (ii) the New York State Historic Preservation Act of 1980 and the regulations promulgated thereunder (collectively the “Preservation Act”), the College agrees to abide by the requirements relating thereto as set forth in the Loan Agreement.

(Section 19)

Use and Possession of the Projects

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

(Section 20)

Restrictions on Religious Use

The College agrees that with respect to each Project or portion thereof, so long as such Project or portion thereof exists and unless and until such Project or portion thereof is sold for the fair market value thereof, such Project or portion thereof shall not be used for sectarian religious instruction or as a place of religious worship or in connection with any part of a program of a school or department of divinity for any religious denomination; **provided, however,** that the foregoing restriction shall not prohibit the free exercise of any religion; **provided, further,** that if at any time after the date of the Loan Agreement, 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 such Project and each portion thereof. The Authority and its agents may conduct such inspections as 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 College 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 such Project to the restriction that (i) so long as such portion of such Project (and, if included in the Project, the real property on or in which such portion of such Project is situated) shall exist and (ii) until such portion of such Project is sold or otherwise transferred to a person who purchases the same for the fair market value thereof at the time of such sale or transfer, such portion of such Project shall not be used for sectarian religious instruction or as a place of religious worship or used in connection with any part of the program of a school or department of divinity of any religious denomination. The instrument containing such restriction shall further provide that such restriction may be enforced at the instance of the Authority or the Attorney General of the State, by a proceeding in any court of competent jurisdiction, by injunction, mandamus or by other appropriate remedy. The instrument containing such restriction shall also provide that if at any time thereafter, in the opinion of Bond Counsel, the then applicable law would permit such portion of the Project, or, if included in the Project, the real property on or in which such portion is situated, to be used without regard to the above stated restriction, then said

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restriction shall be without any force or effect. For the purposes of the Loan Agreement 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 21)

Sale of the Project

The College covenants that it will not transfer, sell or convey a Project or any part thereof or interest therein, including development rights, without the prior approval of the Authority, unless (a) in the opinion of Bond Counsel, the same will not adversely affect the exclusion of interest on any Bond from gross income for federal income tax purposes and (b) the College pays to the Trustee either for deposit into the Debt Service Fund, or, pursuant to the Resolution, to be set aside or to purchase Defeasance Securities in accordance with the direction of the Authority.

Notwithstanding the foregoing, the College may remove equipment, furniture or fixtures that is part of a Project and was financed with the proceeds of Bonds provided that the College 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.

(Section 22)

Maintenance, Repair and Replacement

The College agrees that, throughout the term of the Loan Agreement but in case of the acquisition of a completed Project, not before the acquisition of such Project, the College shall, at its own expense, hold, operate and maintain each Project in a careful, prudent and economical manner, and keep the same, with the appurtenances and every part and parcel thereof, in good repair, working order and safe condition and shall from time to time make all necessary and proper repairs, replacements and renewals so that at all times the operation thereof may be properly and advantageously conducted. The College shall give the Authority not less than fifteen (15) days prior written notice of its intention to make a change or alteration that materially alters the scope or nature of the Project or a portion thereof. The College shall have the right to remove or replace any type of fixtures, furnishings and equipment in any Project which may have been financed by the proceeds of the sale of Bonds provided the College substitutes for any such removed or replaced fixtures, furnishings and equipment, additional fixtures, furnishings and equipment having equal or greater value and utility than the fixtures, furnishings and equipment so removed or replaced.

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

(Section 23)

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Covenant as to Insurance

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

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

(i) except in case of the acquisition of a completed Project, with respect to any building the construction of which shall not have been completed (and until insurance is procured pursuant to provisions of the Loan Agreement summarized in clause (ii) of this paragraph), all risk builders' risk insurance against direct physical loss or damage, or with respect to the acquisition and installation of equipment or machinery, in lieu of all risk builders' risk, an installation floater on an all risk basis. The amount of such insurance shall be on a one hundred per centum (100%) completed value basis on the insurable portion: **provided, however**, that the College's obligation to provide all risk builders' risk insurance as required by this clause (i) shall not commence until thirty (30) days prior to the commencement of construction of the Project; **provided further**, that the College covenants to provide proof of the all risk builders' risk insurance required by this clause (i) no later than thirty (30) days prior to the commencement of construction of the Project;

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

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

(iv) at all times, statutory disability benefits;

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

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

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

All policies of insurance maintained pursuant to provisions of the Loan Agreement summarized in paragraph (b) of this section, other than policies of workers' compensation insurance, shall include the Authority or, if the Loan Agreement has been assigned to the Trustee, the Trustee as its assignee, as an additional insured or as loss payee.

(Section 24)

Damage or Condemnation

In the event of a taking of a Project or any portion thereof by eminent domain or condemnation, or of damage or destruction affecting all or part thereof, (but to the extent the College purchases a completed Project, only following the acquisition thereof) all property casualty insurance, condemnation or eminent domain proceeds shall, if in excess of \$250,000 and not applied to reimburse the College for costs incurred to repair or restore the same, be paid to the Trustee for deposit in the Construction Fund. All proceeds derived from an award for such taking or from property casualty insurance shall be applied as provided below.

(i) If within one hundred twenty (120) days (or such longer period as the Authority and the College may agree) after the Authority receives actual notice or knowledge of the taking or damage, the College and the Authority agree in writing that the property or the affected portion thereof shall be repaired, replaced or restored, the College shall proceed to repair, replace or restore the same, 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 College and approved in writing by the Authority. The funds required for such repair, replacement or restoration shall be paid, subject to such conditions and limitations as the Authority may 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 College.

(ii) If no agreement for the repair, restoration or replacement of the property or affected portion shall have been reached by the Authority and the College within such period, the proceeds then held by the College shall be paid the Trustee for deposit in the Debt Service Fund and the proceeds then held in the Construction Fund shall be transferred to the Debt Service Fund, whereupon such proceeds shall be applied to the purchase or redemption of Outstanding Bonds.

(Section 25)

Taxes and Assessments

The College 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 a Project or any part thereof, and upon all ordinary costs of operating, maintaining, repairing and replacing such Project and its equipment. In case the College purchases a completed Project such obligations shall commence upon the acquisition of such Project. The College shall file exemption certificates as required by law. The College 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 of the Loan Agreement if the College 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 College, may pay any such charges, taxes and assessments if, in the reasonable judgment of the Authority, a Project or any part thereof would be in substantial danger by reason of the College'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 under the Loan Agreement or under the Resolution; (ii) the ability of the Authority to enforce its rights thereunder; (iii) the ability of the Authority to fulfill the terms of any covenants or perform any of its obligations under the Loan Agreement or under the Resolution; or (iv) the ability of the College to fulfill the terms of any covenants or perform any of its obligations under the Loan Agreement and the College 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 26)

Defaults and Remedies

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

(i) the College shall (A) default in the timely payment of any amount payable pursuant to the Loan Agreement (other than as described in subsection (B) below or the payment of any other amounts required to be delivered or paid by or on behalf of the College in accordance with the Loan Agreement or with the Resolution, and such default continues for a period in excess of seven (7) days or (B) default in the timely payment of interest payable on Outstanding Variable Interest Rate Bonds or the purchase price of Option Bonds tendered for purchase, in accordance with the terms of the Loan Agreement; or

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

(iii) as a result of any default in payment or performance required of the College under the Loan Agreement or any other 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 or Holders of the Bonds shall be seeking the enforcement of any remedy under the Resolution as a result thereof; or

(iv) the College shall (A) be generally not paying its debts as they become due, (B) 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, (C) make a general assignment for the benefit of its general creditors, (D) 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, (E) be adjudicated insolvent or be liquidated or (F) take corporate action for the purpose of any of the foregoing; or

(v) a court or governmental authority of competent jurisdiction shall enter an order appointing, without consent by the College, a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, or an order

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for relief shall be entered in any case or proceeding for liquidation or reorganization or otherwise to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of the College, or any petition for any such relief shall be filed against the College and such petition shall not be dismissed or stayed within ninety (90) days; or

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

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

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

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

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

(xi) a final judgment for the payment of money, at least one million dollars (\$1,000,000) of which is not covered by insurance or reserves set aside by the College, which in the judgment of the Authority will adversely affect the rights of the Holders of the Bonds shall be rendered against the College and at any time after forty-five (45) days from the entry thereof, (A) such judgment shall not have been discharged or paid, or (B) the College shall not have taken and be diligently prosecuting an appeal therefrom or from the order, decree or process upon which or pursuant to which such judgment shall have been granted or entered, and shall not have caused, within 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; or

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

(i) declare all sums payable by the College under the Loan Agreement immediately due and payable;

(ii) direct the Trustee to withhold any and all payments, advances and reimbursements from the proceeds of Bonds or the Construction Fund or otherwise to which the College may otherwise be entitled under the Loan Agreement and in the Authority's sole discretion apply any such proceeds or moneys for such purposes as are authorized by the Resolution;

(iii) withhold any or all further performance under the Loan Agreement;

(iv) maintain an action against the College under the Loan Agreement to recover any sums payable by the College or to require its compliance with the terms of the Loan Agreement;

(v) except to the extent the College successfully completes the acquisition of a completed Project and to the extent permitted by law, (A) enter upon one or more Projects and complete the construction thereof in accordance with the plans and specifications with such changes therein as the Authority may deem appropriate and employ watchmen to protect any Project, all at the risk, cost and expense of the College, consent to such entry being by the Loan Agreement given by the College, (B) at any time discontinue any work commenced in respect of the construction of a Project or change any course of action undertaken by the College and not be bound by any limitations or requirements of time whether set forth in the Loan Agreement or otherwise, (C) assume any construction contract made by the College in any way relating to the construction of a Project and take over and use all or any part of the labor, materials, supplies and equipment contracted for by the College, whether or not previously incorporated into the construction of such Project, and (D) in connection with the construction of a Project undertaken by the Authority pursuant to the provisions summarized in this subparagraph (v), (1) engage builders, contractors, architects, engineers and others for the purpose of furnishing labor, materials and equipment in connection with the construction of such Project, (2) pay, settle or compromise all bills or claims which may become liens against the Project or against any moneys of the Authority applicable to the construction of such 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 such Project, and (3) take or refrain from taking such action under the Loan Agreement as the Authority may from time to time determine. The College shall be liable to the Authority for all sums paid or incurred for construction of a Project whether the same shall be paid or incurred pursuant to the provisions summarized in this subparagraph (v) or otherwise, and all payments made or liabilities incurred by the Authority under the Loan Agreement of any kind whatsoever shall be paid by the College to the Authority upon demand. The College irrevocably constitutes and appoints the Authority its true and lawful attorney-in-fact to execute, acknowledge and deliver any instruments and to do and perform any acts in the name and on behalf of the College for the purpose of exercising the rights granted to the Authority by provisions summarized in this subparagraph (v) during the term of the Loan Agreement;

(vi) permit, direct or request the Trustee to liquidate all or any portion of the assets of a Debt Service Reserve Fund 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 Installments, if any, or Redemption Price of and interest on the applicable Series of Bonds, or any other obligation or liability of the College or the Authority arising from the Loan Agreement, or from the Resolution and relating to the applicable Series of Bonds;

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

All rights and remedies 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.

(Section 30)

Investment of Moneys

The College acknowledges that the Authority may in its sole discretion direct the investment of certain moneys held under the Resolution as provided therein and that no representation or warranty has been made by the Authority with respect to interest rates on, or the amount to be earned as a result of, any such investment. 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 summarized in Appendix D under the heading "**Security**

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for Deposits and Investment of Funds” in the manner provided therein, or for any loss, direct or indirect, resulting from any such investment. The Authority agrees that it shall direct the making of investments as permitted by the Resolution as soon as practicable when moneys are legally available therefor.

(Section 32)

Limitation on Agreements

The College shall not enter into any contract or agreement which impairs the College’s ability to comply with the provisions of the Loan Agreement relating to financial obligations of the College in any material respect.

(Section 34)

Arbitrage; Tax Exemption

Each of the College and the Authority covenants that it shall take no action, nor shall it approve the Trustee’s taking any action or making any investment or use of the proceeds of Bonds, which would cause the Bonds or any Series of Bonds to be “arbitrage bonds” within the meaning of Section 148(a) of the Code, and any proposed or final regulations thereunder as are applicable to the Bonds at the time of such action, investment or use. The College (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 College by the Authority.

The College covenants that it will not take any action or fail to take any action which would cause any representation or warranty of the College contained in a Tax Certificate then to be untrue and shall comply with all covenants and agreements of the College contained in each Tax Certificate, in each case to the extent required by and otherwise in compliance with such Tax Certificate.

(Section 35)

Limitation on Authority Rights

As long as no Event of Default has occurred and is continuing, and no event has occurred that, with the giving of notice or lapse of time, or both, would constitute an Event of Default, the Authority will not, without the prior written consent of the College (i) change the dates on which an Option Bond is to be tendered for purchase or the period during which a Variable Interest Rate Bond is to bear interest at a particular rate, (ii) convert a Variable Interest Rate Bond to bear interest at a fixed rate to its maturity, (iii) seek the removal or resignation of a Remarketing Agent or appoint a successor Remarketing Agent, (iv) amend or modify the dates on or Redemption Price at which a Variable Interest Rate Bond after its conversion to bear interest at a fixed rate to the maturity date thereof may be redeemed at the election or direction of the Authority in accordance with the Resolution or (v) remarket at a price other than par any Option Bond tendered or deemed to have been tendered for purchase. The College may, at any time no Event of Default, or an event that, with the giving of notice or lapse of time, or both, would constitute an Event of Default, has occurred and is continuing, request the Authority to take such action as may be required by the Resolution or a Series Resolution authorizing the issuance of Option Bonds or Variable Interest Rate Bonds to change the dates on which such Option Bonds are to be tendered for purchase or the period during which such Variable Interest Rate Bonds shall bear interest at a particular rate or to convert such Variable Interest Rate Bonds to bear interest at a fixed rate to their maturity.

(Section 36)

Certificate as to Representations and Warranties

The obligations of the Authority under the Loan Agreement and the delivery of each Series of Bonds are conditioned upon the receipt by the Authority at or prior to delivery of each Series of Bonds of a certificate of an Authorized Officer of the College acceptable to the Authority to the effect that the representations and warranties

contained in the Loan Agreement are true and correct and in full force and effect on and as of the date of delivery of each such Series of Bonds as if made on the date of delivery of such Series of Bonds.

(Section 39)

Further Assurances

The College, 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 are necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, moneys, securities, funds and security interests by the Loan Agreement or by the Resolution pledged, assigned or granted, or intended so to be, or which the College may after the date of the Loan Agreement become bound to pledge, assign or grant to the Authority pursuant to the Loan Agreement.

(Section 42)

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 the College and the Authority, an executed counterpart of which shall be filed with the Trustee. The College shall furnish to each Insurer a complete transcript of all proceedings relating to an amendment to the Loan Agreement.

(Section 43)

Termination

The Loan Agreement shall remain in full force and effect until no Bonds are Outstanding and until all other payments, expenses and fees payable under the Loan Agreement by the College shall have been made or provision made for the payment thereof; **provided, however**, that the liabilities and the obligations of the College under the Loan Agreement relating to the prompt payment of arbitrage rebate and to provide reimbursement for or indemnification against expenses, costs or liabilities made or incurred pursuant to provisions of the Loan Agreement summarized under the headings **“Damage or Condemnation”** and **“Taxes and Assessments”** above and provisions of the Loan Agreement related to indemnity by the College shall nevertheless survive any such termination. Upon such termination, the Authority shall promptly deliver such documents as may be reasonably requested by the College to evidence such termination and the discharge of the College’s duties under the Loan agreement and the release or surrender of any security interests granted by the College to the Authority pursuant to the Loan Agreement.

(Section 44)

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**SUMMARY OF CERTAIN PROVISIONS
OF THE RESOLUTION**

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SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

The following is a brief summary of certain provisions of the Resolution pertaining to the Series 2007 Bonds. This summary does not purport to be complete and reference is made to the Resolution for full and complete statements of such and all provisions. The headings below are not part of the Resolution but have been added for ease of reference only. Defined terms used herein shall have the meanings ascribed to them in Appendix A or in the body of this Official Statement.

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 to the Trustee made in the Resolution and the covenants and agreements set forth to be performed by or on behalf of the Authority shall be for the equal and ratable benefit, protection and security of the Holders of any and all of such Bonds, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any such Bonds over any other Bonds except as expressly provided in the Resolution or permitted by the Resolution.

(Section 1.03)

Assignment of Certain Rights and Remedies to the Trustee

As security for the payment of the principal and Redemption Price of and interest on the Outstanding Bonds and for the performance of each other obligation of the Authority under the Resolution, the Authority may, and upon the happening of an Event of Default under the Resolution, other than an Event of Default specified in the Resolution as summarized below in paragraph (c) under the heading “**Events of Default,**” the Authority upon the request of the Insurers of a majority in principal amount of Outstanding Bonds shall, grant, pledge and assign to the Trustee all of the Authority’s estate, right, title, interest and claim in, to and under the Loan Agreement, together with all rights, powers, security interests, privileges, options and other benefits of the Authority under the Loan Agreement, including, without limitation, the immediate and continuing right to receive, enforce and collect (and to apply the same in accordance with the Resolution) all Revenues, insurance proceeds, sale proceeds and other payments and other security now or hereafter payable to or receivable by the Authority under the Loan Agreement, and the right to make all waivers and agreements in the name and on behalf of the Authority, as Trustee for the benefit of the Bondholders, and to perform all other necessary and appropriate acts under the Loan Agreement, including but not limited to the right to declare the indebtedness under the Loan Agreement immediately due and payable subject to the following conditions, that (i) the Holders of the Bonds, if any, shall not be responsible or liable in any manner or to any extent for the performance of any of the covenants or provisions thereof to be performed by the Authority and (ii) unless and until the Trustee shall, in its discretion, by instrument in writing delivered to the Authority and the College, otherwise elect, the Trustee shall not be responsible or liable in any manner or to any extent for the performance of any of the covenants or provisions contained in the Loan Agreement to be performed by the Authority (except to the extent of actions undertaken by the Trustee in the course of its performance of any such covenant or provision). Until such election is made the Authority shall remain liable to observe and perform all the conditions and covenants, in the Loan Agreement, provided to be observed and performed by it. Upon any such grant, pledge or assignment contemplated by the Resolution the Authority may retain the right to (i) the payment of any fees, costs and expenses of the Authority payable pursuant to the Loan Agreement, (ii) the indemnities provided thereby and payments made pursuant to such indemnities and (iii) the exercise of any right or remedy available under the Loan Agreement for the enforcement of the obligations of the College to which the Authority has retained such right.

Any grant, pledge or assignment made pursuant to the Resolution as summarized herein, shall be made by instruments in form and substance reasonably satisfactory to the Trustee executed and delivered by the Authority within thirty (30) days after either written notice of the Authority’s election to made such grant, pledge or assignment or the written request of the Insurers of a majority in principal amount of the Outstanding Bonds made after an Event of Default under the Resolution has occurred.

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If an Event of Default under the Resolution has been cured and is no longer continuing, the Trustee, as soon as practicable after the written request of the Authority, shall re-grant and re-assign to the Authority, and release from any pledge made by the Authority pursuant to the Resolution as summarized herein, all of the Authority's estate, right, title, interest and claim in, to and under the Loan Agreement, together with all rights, powers, security interests, privileges, options and other benefits of the Authority thereunder, theretofore granted, pledged or assigned to the Trustee pursuant to the Resolution. The Trustee shall execute such instruments as the Authority may reasonably require to effect or evidence such re-grant, re-assignment or release.

(Section 1.04)

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 a Series of Outstanding Bonds or a portion of a maturity of a Series of Outstanding Bonds. The Authority may issue Refunding Bonds in an aggregate principal amount sufficient, together with other moneys available therefor, to accomplish such refunding and to make such deposits required by the Resolution and by the Series Resolution authorizing such Series of Refunding Bonds.

The Refunding Bonds of such Series shall be authenticated and delivered by the Trustee only upon receipt by the Trustee (in addition to the documents required by the Resolution) of:

- (a) If the Bonds to be refunded are to be redeemed, irrevocable instructions to the Trustee, satisfactory to it, to give due notice of redemption of all the Bonds to be refunded on a redemption date specified in such instructions;
- (b) Irrevocable instructions to the Trustee, satisfactory to it, to duly give the notice provided for in the defeasance provisions of the Resolution to the Holders of the Bonds being refunded;
- (c) Either (i) moneys in an amount sufficient to effect payment at the applicable Redemption Price of the Bonds to be refunded, together with accrued interest on such Bonds to the maturity or redemption date, which money shall be held by the Trustee or any one or more of the Paying Agents in a separate account irrevocably in trust for and assigned to the respective Holders of the Bonds to be refunded or (ii) Defeasance Securities in such principal amounts, of such maturities, bearing such interest and otherwise having such terms and qualifications, as shall be necessary to comply with the defeasance provisions of the Resolution, which Defeasance Securities and moneys shall be held in trust and used only as provided in the defeasance provisions of the Resolution; and
- (d) A certificate of an Authorized Officer of the Authority containing such additional statements as may be reasonably necessary to show compliance with the requirements summarized herein.

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

(Section 2.04)

Additional Obligations

The Authority reserves the right to issue bonds, notes or any other obligations or otherwise incur indebtedness pursuant to other and separate resolutions or agreements of the Authority, so long as such bonds, notes or other obligations are not, or such other indebtedness is not, except as provided in the Resolution, entitled to a

charge, lien or right prior or equal to the charge or lien created by the Resolution, or prior or equal to the rights of the Authority and Holders of Bonds.

(Section 2.05)

Redemption of Bonds

Authorization of Redemption

Bonds subject to redemption prior to maturity pursuant to the Resolution or to a Series Resolution or a Bond Series Certificate shall be redeemable, in accordance with the Resolution, at such times, at such Redemption Prices and upon such terms as may otherwise be specified in the Resolution or in the Series Resolution authorizing such Series or the applicable Bond Series Certificate.

(Section 4.01)

Redemption at the Election or Direction of the Authority

In the case of any redemption of Bonds other than as summarized in the following paragraph, the Authority shall give to the Trustee, each Facility Provider and each Insurer written notice of its election or direction to redeem, of the Series and of the principal amounts of the Bonds of each maturity of such Series and Sub-Series to be redeemed. The Series, Sub-Series, maturities and principal amounts thereof to be redeemed at the election or direction of the Authority shall be determined by the Authority in its sole discretion, subject to any limitations with respect thereto contained in the Resolution or in the Series Resolution authorizing such Series or the applicable Bond Series Certificate. Such notice shall be given to the Trustee, the Insurer of the Bonds to be redeemed and each Facility Provider at least sixty (60) days prior to the date on which such Bonds are to be redeemed, or such lesser number of days as shall be acceptable to the Trustee. Unless the notice of redemption required by the Resolution provides that the redemption is subject to the condition that moneys for payment of the Redemption Price is available on the redemption date, such notice shall not be given with respect to Bonds to be redeemed pursuant to the Resolution as summarized herein unless prior to the date such notice is to be given the Authority shall have paid or caused to be paid to the Trustee an amount which, in addition to other amounts available therefor held by the Trustee, is sufficient to redeem, on the redemption dates at the Redemption Price thereof, together with interest accrued and unpaid thereon to the redemption date, all of the Bonds to be so redeemed.

(Section 4.02)

Redemption Other Than at Authority's Election or Direction

Whenever by the terms of the Resolution the Trustee is required to redeem Bonds through the application of mandatory Sinking Fund Installments, the Trustee shall select the Bonds of the Series, Sub-Series and maturities to be redeemed in the manner summarized in the following paragraph, give the notice of redemption and pay out of moneys available therefor the Redemption Price thereof, together with interest accrued and unpaid thereon to the redemption date, to the appropriate Paying Agents in accordance with the terms of the Resolution.

(Section 4.03)

Selection of Bonds to Be Redeemed

Unless otherwise provided in the Series Resolution authorizing the issuance of Bonds of a Series or the Bond Series Certificate relating to such Bonds, in the event of redemption of less than all of the Outstanding Bonds of like Series, Sub-Series, maturity and tenor, the Trustee shall assign to each Outstanding Bond of the Series, Sub-Series, maturity and tenor to be redeemed a distinctive number for each unit of the principal amount of such Bond equal to the lowest denomination in which the Bonds of such Series are authorized to be issued and shall select by lot, using such method of selection as it shall deem proper in its discretion, from the numbers assigned to such Bonds as many numbers as, at such unit amount equal to the lowest denomination in which the Bonds of such Series

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are authorized to be issued for each number, shall equal the principal amount of such Bonds to be redeemed. In making such selections the Trustee may draw the Bonds by lot (i) individually or (ii) by one or more groups, the grouping for the purpose of such drawing to be by serial numbers (or, in the case of Bonds of a denomination of more than the lowest denomination in which the Bonds of such Series are authorized to be issued, by the numbers assigned thereto as summarized herein) which end in the same digit or in the same two digits. In case, upon any drawing by groups, the total principal amount of Bonds drawn shall exceed the amount to be redeemed, the excess may be deducted from any group or groups so drawn in such manner as the Trustee may determine. The Trustee may in its discretion assign numbers to aliquot portions of Bonds and select part of any Bond for redemption. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; **provided, however**, that only so much of the principal amount of each such Bond of a denomination of more than the lowest denomination in which the Bonds of such Series are authorized to be issued shall be redeemed as shall equal the lowest denomination in which the Bonds of such Series are authorized to be issued for each number assigned to it and so selected.

For purposes of the Resolution as summarized herein, the lowest denomination in which a Capital Appreciation Bond is authorized to be issued shall be the lowest Accreted Value authorized to be due at maturity on such Bonds and the lowest denomination in which a Deferred Income Bond is authorized to be issued shall be the lowest Appreciated Value on the Interest Commencement Date authorized for such Bonds.

(Section 4.04)

Notice of Redemption

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; (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 such Bond or as contained in such notice shall not affect the validity of the proceedings for redemption; and (ix) if the Authority's obligation to redeem the Bonds is subject to one or more conditions, a statement to that effect that describes the conditions to such redemption. Any notice of redemption, other than a notice for special or extraordinary redemption provided for in a Series Resolution or Bond Series Certificate, may state that the redemption is conditioned upon receipt by the Trustee, on or prior to the redemption date, of moneys sufficient to pay the Redemption Price of the Bonds to be redeemed, and that if such moneys are not received such notice shall be of no force or effect and such Bonds shall not be required to be redeemed.

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 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 such Bonds or the Bond Series Certificate relating thereto, but in no event less than fifteen (15) days prior to the redemption date. Such notice shall be sent by first class mail, postage prepaid, to (i) the Insurer of 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 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 Insurer or Holder of a Bond to be redeemed to receive 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 such Bonds or the Bond Series Certificate relating thereto, but in no event less than fifteen (15) days prior to the redemption date; **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, 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 date, 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, 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 Book Entry Bonds of like Series, Sub-Series, maturity and tenor to be redeemed in part, 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 Bond is 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, Sub-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, Sub-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, 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 Resolution; Funds and Accounts; Revenues and Application Thereof

Pledge of Resolution

The proceeds from the sale of the Bonds, the Revenues, except as otherwise provided in the Resolution, all funds and accounts established by the Resolution, other than the Arbitrage Rebate Fund, are pledged by the Resolution and assigned to the Trustee as security for the payment of the principal and Redemption Price of and interest on the Bonds and as security for the performance of any other obligation of the Authority under the Resolution and under any Series Resolution, all in accordance with the Resolution and the Series Resolution. The pledge of the Revenues shall also be for the benefit of each Facility Provider as security for the payment of any amounts payable to such Facility Provider under the Resolution; **provided, however,** that such pledge and

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assignment shall, in all respects, be subject and subordinate to the rights and interest therein of the Bondholders. The pledge made by the Resolution is valid, binding and perfected from the time when the pledge attaches and the proceeds from the sale of the Bonds, the Revenues and 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. No instrument by which such pledge is created nor any financing statement need be recorded or filed. The Bonds shall be special obligations of the Authority payable solely from and secured by a pledge of the proceeds from the sale of the Bonds, the Revenues and the funds and accounts established by the Resolution and which are pledged by the Resolution as provided in the Resolution, which pledge shall constitute a first lien thereon. With respect to the payment of principal and interest on the Series 2007B Bonds, the Holders of Bank Bonds are entitled to the rights and privileges accorded Bondholders under the Resolution including, without limitation, Section 5.01 of the Resolution.

(Section 5.01 and Section 3.02 of the Bond Series Certificate relating to the Series 2007B Bonds)

Establishment of Funds and Accounts

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

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

All moneys at any time deposited in any fund, account or subaccount created and pledged hereby 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 herein; **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 or derived from a Liquidity Facility relating to such Bonds, and any fund or account established by or pursuant to such Series Resolution for the payment of the purchase price or 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 hereby for the payment of the purchase price or Redemption Price of such Option Bonds; **provided further**, that any Debt Service Reserve Fund established by or pursuant to a Series Resolution, the amounts held therein and amounts derived from any Reserve Fund Facility related thereto, shall not be held in trust for the benefit of the Holders of Bonds other than the Bonds of the Series secured thereby as provided in such Series Resolution and are pledged solely thereto and no Holder of the Bonds of any other Series shall have any right or interest therein.

(Section 5.02)

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 provisions of the Resolution summarized under the heading “**Deposit of Certain Moneys in the Construction Fund**” below. The Trustee shall also deposit in the Construction Fund all amounts paid to it by the College which by the terms of the Loan Agreement are required to be deposited therein.

Except as otherwise provided in the Resolution and in any applicable Series Resolution or Bond Series Certificate, moneys deposited in the Construction Fund shall be used only to pay the Costs of Issuance of the Bonds and the Costs of the Projects. For purposes of internal accounting, the Construction Fund may contain one or more further 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 each 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 College or by an authorized officer of another entity contractually authorized to sign such certificate on behalf of the College and to the extent acceptable to the Authority in its sole and absolute discretion 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 such 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 College with respect to any Project 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 delivery to the Authority and the Trustee of a certificate signed by an Authorized Officer of the College, which certificate shall be delivered as soon as practicable after the date of completion of the Project, or upon delivery to the College 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 or use, and, in the case of a certificate of an Authorized Officer of the College, 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 Projects in connection with such Project which are 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 applicable Debt Service Reserve Fund, such amount as shall be necessary to make the amount on deposit in such fund equal to the applicable Debt Service Reserve Fund Requirement, if any; 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

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 in the following order of priority:

First: To the Debt Service Fund (i) in the case of Revenues received during the period from the beginning of each Bond Year until December 31 thereof, the amount, if any, necessary to make the amount in the Debt Service Fund equal to (a) the interest on Outstanding Bonds payable on or prior to the next succeeding January 1, including the interest estimated by the Authority to be payable on any Variable Interest Rate Bond on and prior to the next succeeding January 1, assuming that such Variable Interest Rate Bond will bear interest, from and after the next date on

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

Second: To reimburse each Facility Provider for Provider Payments which are then unpaid the respective Provider Payments and to replenish each Debt Service Reserve Fund to its respective Debt Service Reserve Fund Requirement, pro rata, in proportion to the amount the respective Provider Payments then unpaid to each Facility Provider and the amount of the deficiency in each Debt Service Reserve Fund bears to the aggregate amount of Provider Payments then unpaid and deficiencies in the respective Debt Service Reserve Funds;

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

Fourth: To the Authority, unless otherwise paid, such amounts as are payable to the Authority for: (i) any expenditures of the Authority for fees and expenses of auditing, and fees and expenses of the Trustee and Paying Agents, all as required hereby, (ii) all other expenditures reasonably and necessarily incurred by the Authority in connection with the financing of the Projects, including expenses incurred by the Authority to compel full and punctual performance of all the provisions of the Loan Agreement in accordance with the terms thereof, and (iii) any fees of the Authority; but only upon receipt by the Trustee of a certificate signed by an Authorized Officer of the Authority, stating in reasonable detail the amounts payable to the Authority pursuant to this paragraph.

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

(Section 5.05)

Debt Service Fund

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

- (i) the interest due and payable on all Outstanding Bonds on such interest payment date;

- (ii) the principal amount due and payable on all Outstanding Bonds on such interest payment date; and
- (iii) the Sinking Fund Installments, if any, due and payable on all Outstanding Bonds on such interest payment date.

The amounts paid out pursuant to the Resolution shall be irrevocably pledged to and applied to such payments.

(b) Notwithstanding the provisions of the Resolution summarized in paragraph (a) above, 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, at a price not in excess of par plus interest accrued and unpaid to the date of such purchase, Term Bonds to be redeemed from such Sinking Fund Installment. Any Term Bond so purchased and any Term Bond purchased by the College and delivered to the Trustee in accordance with the Loan Agreement shall be canceled upon receipt thereof by the Trustee and evidence of such cancellation shall be given to the Authority. The principal amount of each Term Bond so canceled shall be credited against the Sinking Fund Installment due on such date; **provided, however**, that such Term Bond is canceled by the Trustee prior to the date on which notice of redemption is given.

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

(Section 5.06)

Arbitrage Rebate Fund

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

Moneys on deposit in the Arbitrage Rebate Fund shall be applied by the Trustee in accordance with the direction of an Authorized Officer of the Authority to make payments to the Department of the Treasury of the United States of America at such times and in such amounts as the Authority shall determine to be required by the Code to be rebated to the Department of the Treasury of the United States of America. Moneys which an Authorized Officer of the Authority determines to be in excess of the amount required to be so rebated shall be deposited to any fund or account established under the Resolution in accordance with the written direction of such Authorized Officer.

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The Authority shall periodically determine the amount which may be required by the Code to be rebated to the Department of the Treasury of the United States of America with respect to each Series of Bonds and direct the Trustee to (i) transfer from any other of the funds and accounts held by the Trustee under the Resolution and deposit to the Arbitrage Rebate Fund such amount as the Authority shall have determined to be necessary in order to enable it to comply with its obligation to rebate moneys to the Department of the Treasury of the United States of America with respect to each Series of Bonds and (ii) if and to the extent required by the Code, pay out of the Arbitrage Rebate Fund to the Department of the Treasury of the United States of America the amount, if any, required by the Code to be rebated thereto.

(Section 5.07)

Application of Moneys in Certain Funds for Retirement of Bonds

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

(Section 5.08)

Transfer of Investments

Whenever moneys in any fund or account established under the Resolution are to be paid in accordance with the Resolution to another such fund or account, such payment may be made, in whole or in part, by transferring to such other fund or account investments held as part of the fund or account from which such payment is to be made, whose value, together with the moneys, if any, to be transferred, is at least equal to the amount of the payment then to be made; **provided, however**, that no such transfer of investments would result in a violation of any investment standard or guideline applicable to such fund.

(Section 5.09)

Security for Deposits and Investment of Funds

Security for Deposits

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 any Paying Agent to give security for the deposit of any moneys with them pursuant to the debt service fund provisions or the defeasance provisions of 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

(a) Moneys held under the Resolution by the Trustee, if permitted by law, shall, as nearly as may be practicable, be invested by the Trustee, upon direction of the Authority given or confirmed in writing, signed by an Authorized Officer of the Authority (which direction shall specify the amount thereof to be so invested), in Government Obligations, Federal Agency Obligations, Exempt Obligations, and, if not inconsistent with the investment guidelines of an Insurer or a Rating Service applicable to funds held under the Resolution, any other Permitted Investment; **provided, however**, that each such investment shall permit the moneys so deposited or invested to be available for use at the times at which the Authority reasonably believes such moneys will be required for the purposes of the Resolution; provided, further, that (x) any Permitted Collateral required to secure any Permitted Investment shall have a market value, determined by the Trustee or its agent periodically, but no less frequently than weekly, at least equal to the amount deposited or invested including interest accrued thereon, (y) the Permitted Collateral shall be deposited with and held by the Trustee or an agent of the Trustee approved by an Authorized Officer of the Authority, and (z) the Permitted Collateral shall be free and clear of claims of any other person.

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

(c) In computing the amount in any fund or account held by the Trustee under the provisions of the Resolution, each Permitted Investment shall be valued at par or the market value thereof, plus accrued interest, whichever is lower.

(d) Notwithstanding anything to the contrary in the Resolution, the Authority, in its discretion, may direct the Trustee to, and the Trustee shall, sell, present for redemption or exchange any investment held by the Trustee pursuant to the Resolution and the proceeds thereof may be reinvested as provided in the Resolution and summarized in this paragraph. 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 College 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 summarized in paragraphs (a) and (b) above. 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.

(e) 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)

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Particular Covenants

Payment of Principal and Interest

The Authority shall pay or cause to be paid the principal, Sinking Fund Installments, if any, or Redemption Price of and interest on every Bond of each Series on the date and at the places and in the manner provided in the Bonds according to the true intent and meaning thereof.

(Section 7.01)

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, pledges and assignments created by the Resolution or made or intended to be created or made, or which the Authority may hereafter become bound to pledge or assign.

(Section 7.04)

Accounts and Audits

The Authority shall keep proper books of records and accounts (separate from all other records and accounts), which may be kept on behalf of the Authority by the Trustee, in which complete and correct entries shall be made of its transactions relating to each Series of Bonds, which books and accounts, at reasonable hours and subject to the reasonable rules and regulations of the Authority, shall be subject to the inspection of the College, the Insurers, the Trustee or of any Holder of a Bond or his representative duly authorized in writing. The Trustee shall annually prepare a report which shall be furnished to the Authority, to each Facility Provider and to the College. Such report shall include at least: a statement of all funds (including investments thereof) held by such Trustee and the Authority pursuant to the provisions of the Resolution and of each Series Resolution; a statement of the Revenues collected in connection with the Resolution and with each Series Resolution; and complete and correct entries of the Authority's transactions relating to each Series of Bonds. A copy of such report shall, upon receipt of a written request therefor, and payment of any reasonable fee or charge made in connection therewith, be furnished to the registered owner of a Bond or any beneficial owner of a Book Entry Bond requesting the same.

(Section 7.05)

Creation of Liens

Except as permitted by the Resolution, the Authority shall not create, cause to be created or suffer or permit the creation of any lien or charge prior or equal to that of the Bonds on the proceeds from the sale of the Bonds, the Revenues, or the funds and accounts 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 issuing bonds, notes or other obligations under another and separate resolution so long as the charge or lien created by such resolution is not prior or equal to the charge or lien created by the Resolution.

(Section 7.06)

Enforcement of Duties and Obligations of the College

The Authority shall take all legally available action to cause the College to perform fully all duties and acts and comply fully with the covenants of the College required by the Loan Agreement in the manner and at the times provided in the Loan Agreement; **provided, however**, that the Authority may (i) 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 and (ii) at any time prior to the occurrence of an Event of Default under the Resolution, annul any declaration that the indebtedness under the Loan Agreement is immediately due and payable and, if prior to the entry of a final judgment or decree in any action or proceeding instituted on account of an Event of Default under the Loan Agreement, discontinue such action or proceeding if the College shall have cured each Event of Default under the Loan Agreement.

(Section 7.07)

Deposit of Certain Moneys in the Construction Fund

In addition to the proceeds of Bonds to be deposited in the Construction Fund, any moneys paid to the Authority for the acquisition, construction, reconstruction, renovation or equipment of any Project shall be deposited in the Construction Fund.

(Section 7.08)

Offices for Payment and Registration of Bonds

The Authority shall at all times maintain an office or agency in the State where Bonds may be presented for payment. The Authority may, pursuant to a Supplemental Resolution or a Series Resolution or pursuant to a resolution adopted in accordance with the Resolution, designate an additional Paying Agent or Paying Agents where Bonds of the Series authorized thereby or referred to therein may be presented for payment. The Authority shall at all times maintain an office or agency in the State where Bonds may be presented for registration, transfer or exchange and the Trustee is appointed as its agent to maintain such office or agency for the registration, transfer or exchange of Bonds.

(Section 7.09)

Filings of Financing Statements

Except as otherwise provided in the Resolution, the Authority shall file in the appropriate offices all financing statements which are necessary to perfect the security interests granted to the Authority under the Loan Agreement and to the Trustee under the Resolution.

(Section 7.10)

Amendment of Loan Agreement

(a) The Loan Agreement may, without the consent of the Holders of Bonds, be amended, changed, modified or supplemented for any one or more purposes:

(i) to add an additional covenant or agreement for the purpose of further securing the payment of the College's obligations under the Loan Agreement that is not contrary to or inconsistent with the covenants and agreements of the College contained in the Loan Agreement;

(ii) to prescribe further limitations and restrictions upon the College's right to incur, issue, assume or guaranty indebtedness that are not contrary to or inconsistent with the limitations and restrictions thereon theretofore in effect;

(iii) to surrender any right, power or privilege reserved to or conferred upon the College, if surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the College contained in the Loan Agreement; **provided, however,** that if the same would adversely affect the rights of an Insurer or a Facility Provider, no

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amendment, change, modification, termination or waiver shall become effective until consented to in writing by the Insurer and the Facility Provider affected thereby;

(iv) to make changes necessary or appropriate in connection with the acquisition, construction, reconstruction, rehabilitation and improvement, or otherwise providing, furnishing and equipping of any Project, to amend the description of any Project or to add an additional Project to Schedule C of the Loan Agreement;

(v) to amend Schedule A or Schedule B of the Loan Agreement to establish, amend or modify the Authority Fee or the Annual Administrative Fee payable by the College in connection with the Bonds of a Series; or

(vi) with the prior written consent of the Trustee and the Insurers of a majority in principal amount of Outstanding Bonds, to cure any ambiguity, or to correct or supplement any provisions contained in the Loan Agreement which may be defective or inconsistent with any other provisions contained in the Resolution or in the Loan Agreement or to amend, modify or waive any other provision of the Loan Agreement provided that the same does not adversely affect the interests of the Bondholders in any material respect.

(b) Notwithstanding the provisions of the Resolution summarized in the preceding paragraph (a), the Loan Agreement may not be amended, changed, modified or terminated, nor may any provision thereof be waived, without the consent of the Holders of Outstanding Bonds as provided in the Resolution, if such amendment, change, modification, termination or waiver (i) reduces the amount payable by the College under the Loan Agreement on any date or delays the date on which payment is to be made, (ii) modifies the events which constitute Events of Default under Section 30 of the Loan Agreement summarized in Appendix C under the heading “**Defaults and Remedies,**” (iii) diminishes, limits or conditions the rights or remedies of the Authority under the Loan Agreement upon the occurrence of an Event of Default thereunder, or (iv) adversely affects the rights of the Bondholders or an Insurer in any material respect.

(c) No such amendment, change, modification, termination or waiver shall take effect unless the prior written consent of (a) the Holders of at least a majority in principal amount of the Bonds then Outstanding, or (b) in case less than all of the several Series of Bonds then Outstanding are affected by the amendment, change, modification, termination or waiver, the Holders of not less than a majority in principal amount of the Bonds of the Series so affected and then Outstanding; **provided, however,** that if such amendment, change, modification, termination or waiver will, by its terms, not take effect so long as any Bonds of any specified Series and maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under the provisions of the Resolution summarized herein.

(d) No amendment, change, modification or termination of the Loan Agreement, or waiver of a provision thereof shall be made other than pursuant to a written instrument signed by the parties thereto. No such amendment, change, modification or waiver shall become effective unless there has been delivered to the Trustee an opinion of Bond Counsel to the effect that the same is not inconsistent with the Resolution and will not adversely affect the exclusion of interest on any Bond from gross income for purposes of federal income taxation. A copy of each such amendment, change, modification, termination or waiver shall be filed with the Trustee and a copy thereof shall be sent to each Insurer.

(e) For the purposes of the provisions of the Resolution summarized herein, the purchasers of the Bonds of a Series, whether purchasing as underwriters, for resale or otherwise, upon such purchase, may consent to an amendment, change, modification, alteration or termination 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 amendment, change, modification, alteration or termination and the provisions for the purchaser consenting thereto shall be described in the official statement, prospectus, offering memorandum or other offering document prepared in connection with the primary offering of the Bonds of such Series.

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

(g) For all purposes of the provisions of the Resolution summarized herein, the Trustee shall be entitled to rely upon an opinion of counsel, which counsel shall be satisfactory to the Trustee, with respect to whether any amendment, change, modification or alteration adversely affects the interest of any Holders of the Bonds then Outstanding in any material respect.

(Section 7.11)

Notice as to Event of Default under Loan Agreement

The Authority shall notify each Insurer 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)

Series Resolutions and Supplemental Resolutions

Modification and Amendment without Consent

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

- (a) To provide for the issuance of a Series of Bonds pursuant to the provisions of the Resolution and to prescribe the terms and conditions pursuant to which such Bonds may be issued, paid or redeemed;
- (b) To add additional covenants and agreements of the Authority for the purpose of further securing the payment of the Bonds, provided such additional covenants and agreements are not contrary to or inconsistent with the covenants and agreements of the Authority contained in the Resolution;
- (c) To prescribe further limitations and restrictions upon the issuance of Bonds and the incurring of indebtedness by the Authority which are not contrary to or inconsistent with the limitations and restrictions thereon theretofore in effect;
- (d) To surrender any right, power or privilege reserved to or conferred upon the Authority by the terms of the Resolution, provided that the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Authority contained in the Resolution;
- (e) To confirm, as further assurance, any pledge under the Resolution, and the subjection to any lien, claim or pledge created or to be created by the provisions of the Resolution, of the Revenues, or 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

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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) To provide rights and privileges of an Insurer in addition to those set forth in the Resolution that do not materially and adversely affect Holders of Bonds or other Insurers; or

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

(Section 9.01)

Supplemental Resolutions Effective With Consent

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 Insurers and Bondholders in accordance with and subject to the provisions of the Resolution, such Supplemental Resolution to become effective upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of the Authority. The Trustee shall transmit a copy of such Supplemental Resolution to the College upon its becoming effective.

(Section 9.02)

General Provisions Relating to Supplemental Resolutions

The Resolution shall not be modified or amended in any respect except in accordance with and subject to the provisions of the Resolution. Nothing contained the Resolution shall affect or limit the rights or obligations of the Authority to adopt, make, do, execute or deliver any resolution, act or other instrument pursuant to the provisions of the Resolution summarized under the heading “**Further Assurance**” above, or the right or obligation of the Authority to execute and deliver to the Trustee or any Paying Agent any instrument elsewhere provided in the Resolution or permitted to be delivered to the Trustee or any Paying Agent.

A copy of every Series Resolution and Supplemental Resolution adopted by the Authority, when filed with the Trustee, shall be accompanied by an opinion of Bond Counsel stating that such Series Resolution or Supplemental Resolution has been duly and lawfully adopted 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. The Trustee shall transmit a copy of such Supplemental Resolution to the College, each Insurer and each Facility Provider upon its becoming effective.

The Trustee is authorized to accept delivery of a certified copy of any Series Resolution or Supplemental Resolution permitted or authorized pursuant to the provisions of the Resolution and to make all further agreements and stipulations which may be contained therein, and, in taking such action, the Trustee shall be fully protected in relying on the opinion of Bond Counsel that such Series Resolution or Supplemental Resolution is authorized or permitted by the provisions of the Resolution.

No Series Resolution or Supplemental Resolution changing, amending or modifying any of the rights or obligations of the Trustee or of any Paying Agent or of a Facility Provider shall become effective without the written consent of the Trustee, Paying Agent or Facility Provider affected thereby.

Each Insurer shall be provided with a complete transcript of all proceedings relating to the adoption of a Supplemental Resolution.

(Section 9.03)

Amendments of Resolution

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 provided in the Resolution and summarized in the following paragraph, (i) of the Holders of at least a majority in principal amount of the Bonds Outstanding at the time such consent is given, (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the Holders of at least a majority in principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given, or (iii) in case the modification or amendment changes the amount or date of any Sinking Fund Installment, of the Holders of at least a majority in principal amount of the Bonds of the particular Series, maturity and interest rate entitled to such Sinking Fund Installment, Outstanding at the time such consent is given; **provided, however,** that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series, maturity and tenor remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under 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 Insurer 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 provisions of the Resolution summarized in this paragraph, a Series shall be deemed to be affected by a modification or amendment if the same adversely affects or diminishes the rights of the Holders of Bonds of such Series in any material respect. The Trustee may in its discretion determine whether or not, in accordance with the foregoing provisions, the Bonds of any particular Series or maturity would be affected by any modification or amendment of the Resolution and any such determination shall be binding and conclusive on the Authority and all Holders of Bonds. The Trustee may receive an opinion of counsel, including an opinion of Bond Counsel, as conclusive evidence as to whether 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 College upon its becoming effective.

(Section 10.01)

Consent of Bondholders

The Authority may at any time adopt a Supplemental Resolution making a modification or amendment permitted by the provisions of the Resolution summarized in the preceding paragraph to take effect when and as provided in the Resolution. A copy of such Supplemental Resolution (or brief summary thereof or reference thereto in form approved by the Trustee) together with a request to the Bondholders for their consent thereto in form satisfactory to the Trustee, shall promptly after adoption be mailed by the Authority to 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 provided in the Resolution). Such Supplemental Resolution shall not be effective unless and until (i) there shall have been filed with the Trustee (a) the written consent of the Holders of the percentages of Outstanding Bonds specified in the Resolution as summarized in the preceding paragraph 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) a notice shall have been mailed as provided in the Resolution as summarized below. Each such consent shall be effective only if accompanied by proof of the holding or owning at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by the Resolution. A certificate or certificates by the Trustee filed with the Trustee that it has examined such proof and that such proof is sufficient in accordance with the

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Resolution shall be conclusive proof that the consents have been given by the Holders of the Bonds described in the certificate or certificates of the Trustee. Any consent given by the Holder of a Bond shall be binding upon the Bondholder giving such consent and, anything in the Resolution to the contrary notwithstanding, upon any subsequent Holder of such Bond and of any Bond issued in exchange therefor (whether or not such subsequent Insurer or Holder thereof has notice thereof), unless such consent is revoked in writing by the Bondholder giving such consent or a subsequent Holder of such Bond by filing with the Trustee, prior to the time when the written statement of the Trustee provided for in the Resolution is filed, such revocation. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee filed with the Trustee to the effect that no revocation thereof is on file with the Trustee. At any time after the Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Resolution, the Trustee shall make and file with the Authority and the Trustee a written statement that the Holders of such required percentages of Bonds have filed such consents. Such written statement shall be conclusive evidence that such consents have been so filed. At any time thereafter notice, stating in substance that the Supplemental Resolution (which may be referred to as a Supplemental Resolution adopted by the Authority on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of Bonds and will be effective as provided in the Resolution, shall be given to the Bondholders by the Authority by mailing such notice to the Bondholders and, at the discretion of the Authority, by publishing the same at least once not more than ninety (90) days after the Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Resolution and the written statement of the Trustee provided for in the Resolution is filed (but failure to publish such notice shall not prevent such Supplemental Resolution from becoming effective and binding as provided in the Resolution). 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 Insurer 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.

For the purposes of the provisions of the Resolution relating to amendments of the Resolution, the purchasers of the Bonds of a Series, whether purchasing as underwriters, for resale or otherwise, upon such purchase, 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 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 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)

Defaults and Remedies

Events of Default

An event of default shall exist under the Resolution and under each Series Resolution (referred to in the Resolution as an “event of default”) if:

- (a) Payment of the principal or Redemption Price of any Bond shall not be made by the Authority when the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise; or
- (b) Payment of an installment of interest on any Bond shall not be made by the Authority when the same shall become due and payable; or
- (c) With respect to the Bonds of any Series, the Authority shall default in the due and punctual performance of any covenants contained in the Series Resolution authorizing the issuance thereof to the effect that the Authority shall comply with the provisions of the Code applicable to such Bonds necessary to maintain the exclusion of interest therein from gross income under Section 103 of the Code and shall not take any action which would adversely affect the exclusion of interest on such Bonds from gross income under Section 103 of the Code and, as a result thereof, the interest on the Bonds of such Series shall no longer be excludable from gross income under Section 103 of the Code; or
- (d) The Authority shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Resolution or in the Bonds or in any Series Resolution on the part of the Authority to be performed and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to be remedied shall have been given to the Authority by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds, or if such default is not capable of being cured within thirty (30) days, if the Authority fails to commence within said thirty (30) days and diligently prosecute the cure thereof; or
- (e) The Authority shall have notified the Trustee that an Event of Default under the Loan Agreement, arising out of or resulting from the failure of the College to comply with the requirements of the Loan Agreement shall have occurred and is continuing and all sums payable by the College under the Loan Agreement shall have been declared to be immediately due and payable, which declaration shall not have been annulled.

(Section 11.02)

Acceleration of Maturity

Upon the happening and continuance of any Event of Default specified in the Resolution, other than an Event of Default specified in the Resolution as summarized in paragraph (c) under the heading “**Events of Default**” above, then and in every such case the Trustee upon the written request the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds shall, by notice in writing to the Authority, declare the principal of and interest on all of the Outstanding Bonds to be due and payable; **provided, however,** that, if the request of the Holders of Outstanding Bonds would not have been a sufficient percentage in principal amount but for the request of one or more Insurers who pursuant to the Resolution are deemed to be the Holders of the Bonds insured by them, the Trustee shall not give notice that the principal of and interest on the Outstanding Bonds is declared to be due and payable unless one or more Insurers shall have deposited with the Trustee a sum sufficient to pay the principal of and interest on the Outstanding Bonds due upon such declaration. At the expiration of thirty (30) days after notice of such declaration has been given, 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. 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

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before the completion of the enforcement of any other remedy under the Resolution, the Trustee may, with the written consent of 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, 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 the Resolution) 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 declaration and acceleration under the Resolution) shall have been remedied to the reasonable satisfaction of the Trustee. No such annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

(Section 11.03)

Enforcement of Remedies

Upon the happening and continuance of any Event of Default specified in the Resolution, then and in every such case, the Trustee may proceed, and upon the written request of the Facility Provider or of the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds or, in the case of a happening and continuance of an Event of Default specified in the Resolution as summarized in paragraph (c) under the heading “**Events of Default**” above, 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, shall proceed (subject to the provisions of the Resolution relating to the compensation of the Trustee or any Paying Agent) to protect and enforce its rights and the rights of the Bondholders under the Resolution or of such Facility Provider 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.

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

Limitation of Rights of Individual Bondholders

Neither the Holder of any of the Bonds nor the Insurer of any of the Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust under the Resolution, or for any other remedy under the Resolution unless such Holder or Insurer previously shall have given to the Trustee written notice of the Event of Default on account of which such suit, action or proceeding is to be instituted, and unless also the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds or, in the case of an Event of Default specified in the Resolution as summarized in paragraph (c) under the heading “**Events of Default**” above, the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of the Series affected thereby, shall have made written request to the Trustee after the right to exercise such

powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted by the Resolution or to institute such action, suit or proceeding in its or their name, and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses, and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time. Such notification, request and offer of indemnity are declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of the Resolution or for any other remedy under the Resolution and in equity or at law. It is understood and intended that no one or more Insurers 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)

Defeasance

(a) If the Authority shall pay or cause to be paid to the Holders of Bonds of a Series the principal or Redemption Price of and interest thereon, at the times and in the manner stipulated therein, in the Resolution, and in the applicable Series Resolution and Bond Series Certificate, then the pledge of the Revenues or other moneys and securities pledged to such Bonds and all other rights granted by the Resolution to such Bonds shall be discharged and satisfied. In such event, the Trustee shall, upon the request of the Authority, execute and deliver such documents to evidence such discharge and satisfaction as may be reasonably required by the Authority, and all moneys or 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 Facility Provider the Provider Payments which have not been repaid, pro rata, based upon the respective Provider Payments then unpaid to each such 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 College. 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.

(b) 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 Resolution. All Outstanding Bonds of any Series or any maturity within a Series or a portion of a maturity within a Series shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in the preceding paragraph (a) if (i) 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 the Resolution notice of redemption on said date of such Bonds, (ii) 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, and (iii) 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, if any, appearing on the registration books, and, if directed by an Authorized Officer of the Authority, by publication, at least twice, at an interval of not less than seven (7) days between publications, in an Authorized Newspaper, a notice to the Holders of such Bonds that the deposit required by clause (ii) above has been

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made with the Trustee and that said Bonds are deemed to have been paid in accordance with the Resolution 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 Series and maturity the payment of which is to be made in accordance with the Resolution. The Trustee shall select the Bonds of like Series, Sub-Series and maturity payment of which shall be made in accordance with the Resolution in the manner provided in the Resolution. Neither the Defeasance Securities nor moneys deposited with the Trustee pursuant to the provisions of the Resolution summarized in this paragraph 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, however**, that any moneys received from such principal or interest payments on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Defeasance Securities maturing at times and in amounts sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest to become due on said Bonds on and prior to such redemption date or maturity date thereof, 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 Trustee to be in excess of the amounts required by the Resolution to pay the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on such Bonds, as realized, be paid by the Trustee as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of an Authorized Officer of the Authority; second, to each Facility Provider the Provider Payments which have not been repaid, pro rata, based upon the respective Provider Payments then unpaid to each 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 College, 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.

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

(d) Option Bonds shall be deemed to have been paid in accordance with the provisions of the Resolution summarized in clause (ii) of the second sentence of the paragraph (b) of this section only if, in addition to satisfying the requirements of clauses (i) and (iii) of such sentence, there shall have been deposited with the Trustee moneys in an amount which shall be sufficient to pay when due the maximum amount of principal of and premium, if any, and interest on such Bonds which could become payable to the Holders of such Bonds upon the exercise of any options provided to the Holders of such Bonds; **provided, however**, that if, at the time a deposit is made with the Trustee pursuant to the provisions of the Resolution summarized in the preceding paragraph (b), the options originally exercisable by the Holder of an Option Bond are no longer exercisable, such Bond shall not be considered an Option Bond for purposes of the provisions summarized in this paragraph. If any portion of the moneys deposited with the Trustee for the payment of the principal of and premium, if any, and interest on Option Bonds is

not required for such purpose, the Trustee shall, if requested by the Authority, pay the amount of such excess 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 Facility Provider the Provider Payments which have not been repaid, pro rata, based upon the respective Provider Payments then unpaid to each 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 College, 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.

(e) 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, or 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.

(f) No principal or Sinking Fund Installment of or installment of interest on a Bond shall be considered to have been paid, and the obligation of the Authority for the payment thereof shall continue, notwithstanding that an Insurer pursuant to the financial guaranty insurance policy issued with respect to such Bond has paid the principal or Sinking Fund Installment thereof or the installment of interest thereon.

(Section 12.01)

Insurer Provisions

Insurer as Bondholder

Whenever by the terms of the Resolution the Holders of any percentage in principal amount of Outstanding Bonds may exercise any right or power, consent to an amendment, modification or waiver, or request or direct Trustee to take any action, the Insurer of a Bond shall be deemed to be the Holder of such Bond, except that if an Event of Default specified pursuant to the terms of the Resolution summarized in paragraph (c) under the heading “**Events of Default**” above has occurred with respect to such Bond, the Insurer shall not be deemed the Holder thereof for the purpose of giving any consent or direction or making any request pursuant to Article XI of the Resolution.

(Section 14.01)

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**FORM OF APPROVING OPINIONS
OF BOND COUNSEL**

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FORM OF APPROVING OPINION OF BOND COUNSEL

Squire, Sanders & Dempsey L.L.P.
350 Park Avenue
New York, New York 10022

July , 2007

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 \$48,420,000 aggregate principal amount of Barnard College Insured Revenue Bonds, Series 2007A (the “Series 2007A 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 2007A Bonds are issued under and pursuant to the Act, and the Barnard College Insured Revenue Bond Resolution, adopted on July 23, 2003 and the Series 2007A Resolution Authorizing Up To \$81,000,000 Barnard College Insured Revenue Bonds, Series 2007A, adopted on May 30, 2007 (collectively, the “Resolution”). The Series 2007A Bonds are being issued for the purposes set forth in the Resolution. Capitalized terms used and not otherwise defined herein have the respective meanings given to them in the Resolution or the Loan Agreement (as defined herein).

The Series 2007A Bonds are dated their date of delivery and bear interest from such date payable semi-annually on January 1 and July 1 in each year commencing January 1, 2008 until final maturity thereof. The Series 2007A Bonds mature on the date and in the year and amounts and at the interest rates, and are subject to redemption prior to maturity, as set forth in the Bond Series Certificate executed in connection therewith.

The Authority and Barnard College (the “College”) have entered into a Loan Agreement, dated as of July 23, 2003, as supplemented by Loan Agreement Supplement No. 1, which supplement is dated as of May 30, 2007 (the “Loan Agreement”), providing, among other things, for a loan to the College for the purposes permitted thereby and by the Resolution. Pursuant to the Loan Agreement, the College is required to make payments sufficient to pay the principal and Sinking Fund Installments, if any, and the redemption price of, and interest on the Series 2007A

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Bonds, which payments have been pledged by the Authority to the Trustee for the benefit of the Holders of the Series 2007A Bonds.

We are of the opinion that:

1. The Authority is a body corporate and politic constituting a public benefit corporation of the State of New York, with the right and lawful authority and power to adopt the Resolution and to issue the Series 2007A Bonds thereunder.

2. The Resolution has been duly and lawfully adopted by the Authority. The Resolution is in full force and effect, and is a legal, valid and binding obligation of the Authority enforceable in accordance with its terms.

3. The Series 2007A 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 Resolution. The Series 2007A Bonds are legal, valid and binding special obligations of the Authority payable as provided in the Resolution, are enforceable in accordance with their terms and the terms of the Resolution and are entitled to the equal benefits of the Resolution and the Act.

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

5. Assuming compliance by the Authority and the College with the covenants described below, interest on the Series 2007A Bonds is excluded from gross income for federal income tax purposes. The interest on the Series 2007A Bonds will not be treated as a specific preference item for purposes of computing the federal alternative minimum tax. However, we note a portion of the interest on Series 2007A Bonds earned by certain corporations may be subject to the federal alternative minimum tax, which is based in part on adjusted current earnings.

Initial purchasers of the Series 2007A Bonds whose initial adjusted basis in such Bonds exceeds the respective principal amount of such Bonds (the "Premium Bonds") will have bond premium to the extent of that excess. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield must be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond is reduced by the amount of bond premium that accrues during the period of ownership.

6. We are also of the opinion that interest on the Series 2007A Bonds is exempt, under existing law, from personal income taxes of the State of New York and its political subdivisions, including The City of New York and the City of Yonkers.

With respect to the opinions in paragraphs 5 and 6, the Internal Revenue Code of 1986 (the "Code") imposes certain requirements that must be met subsequent to the issuance and delivery of the Series 2007A Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Series 2007A Bonds to be included in gross income retroactively to the date of issue of the Series 2007A Bonds. The Authority and the College have covenanted to take all actions necessary to maintain, and to avoid taking any actions that would impair, the exclusion of the interest on the Series 2007A Bonds from gross income for federal income tax purposes pursuant to Section 103(a) of the Code.

In rendering the opinion set forth in paragraphs 5 and 6, we have relied upon representations made by the College with respect to certain material facts within their knowledge and also upon the opinion of Bond, Schoenck & King, PLLC, counsel to the College, and we have made no independent investigation thereof regarding, among other matters, the current qualification of the College as an organization described in Section 501(c)(3), and exempt

from federal income tax pursuant to Section 501(a) of the Code. We note that such opinion is subject to a number of qualifications and limitations. Failure of the College to be organized and operated in accordance with the Internal Revenue Service's requirements for maintenance of its status as an organization described in Section 501(c)(3), and exempt from federal income tax pursuant to Section 501(a), of the Code may result in interest on the Series 2007A Bonds being included in gross income for federal income tax purposes, possibly retroactively from the original delivery of the Series 2007A Bonds.

We have examined an executed Series 2007A Bond and, in our opinion, the form of said bond and its execution are regular and proper.

Except as stated in paragraphs 5 and 6 above, we express no opinion as to any other federal or state tax consequences of the ownership or disposition of the Series 2007A Bonds. Furthermore, we express no opinion as to any federal, state or local tax law consequences with respect to the Series 2007A Bonds, or the interest thereon, if any action is taken with respect to the Series 2007A Bonds or the proceeds thereof upon the advice or approval of other bond counsel.

The opinions contained in paragraphs 2, 3 and 4 above are qualified to the extent that the enforceability of the Resolution, the Series 2007A Bonds and the Loan Agreement may be limited by bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally or as to the availability of any particular remedy.

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

We express no opinion in this letter as to the accuracy, completeness, fairness or sufficiency of the Official Statement, or any appendices thereto.

Very truly yours,

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FORM OF APPROVING OPINION OF BOND COUNSEL

Squire, Sanders & Dempsey L.L.P.
350 Park Avenue
New York, New York 10022

July , 2007

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 \$32,580,000 aggregate principal amount of Barnard College Insured Revenue Bonds, Series 2007B (the "Series 2007B 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 2007B Bonds are issued under and pursuant to the Act, and the Barnard College Insured Revenue Bond Resolution, adopted on July 23, 2003 and the Series 2007B Resolution Authorizing Up To \$81,000,000 Barnard College Insured Revenue Bonds, Series 2007B, adopted on May 30, 2007 (collectively, the "Resolution"). The Series 2007B Bonds are being issued for the purposes set forth in the Resolution. Capitalized terms used and not otherwise defined herein have the respective meanings given to them in the Resolution or the Loan Agreement (as defined herein).

The Series 2007B Bonds are issued as Variable Interest Rate Bonds dated their date of delivery, initially issued in the Weekly Rate Mode and bearing interest at a Weekly Rate as determined by the Remarketing Agent. While in the Weekly Rate Mode, interest is payable on the first Business Day of each month commencing August 1, 2007. The Series 2007B Bonds mature on the date and in the year and amounts and are subject to conversion to a different Rate Mode, optional and mandatory tender, and redemption and purchase in lieu of redemption prior to maturity, as set forth in the Bond Series Certificate executed in connection therewith.

The Authority and Barnard College (the "College") have entered into a Loan Agreement, dated as of July 23, 2003, as supplemented by Loan Agreement Supplement No. 1, which supplement is dated as of May 30, 2007 (the "Loan Agreement"), providing, among other things, for a loan to the College for the purposes permitted thereby

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and by the Resolution. Pursuant to the Loan Agreement, the College is required to make payments sufficient to pay the principal and Sinking Fund Installments, if any, and the redemption price of, and interest on the Series 2007B Bonds, which payments have been pledged by the Authority to the Trustee for the benefit of the Holders of the Series 2007B Bonds.

We are of the opinion that:

1. The Authority is a body corporate and politic constituting a public benefit corporation of the State of New York, with the right and lawful authority and power to adopt the Resolution and to issue the Series 2007B Bonds thereunder.

2. The Resolution has been duly and lawfully adopted by the Authority. The Resolution is in full force and effect, and is a legal, valid and binding obligation of the Authority enforceable in accordance with its terms.

3. The Series 2007B 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 Resolution. The Series 2007B Bonds are legal, valid and binding special obligations of the Authority payable as provided in the Resolution, are enforceable in accordance with their terms and the terms of the Resolution and are entitled to the equal benefits of the Resolution and the Act.

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

5. Assuming compliance by the Authority and the College with the covenants described below, interest on the Series 2007B Bonds is excluded from gross income for federal income tax purposes. The interest on the Series 2007B Bonds will not be treated as a specific preference item for purposes of computing the federal alternative minimum tax. However, we note a portion of the interest on Series 2007B Bonds earned by certain corporations may be subject to the federal alternative minimum tax, which is based in part on adjusted current earnings.

6. We are also of the opinion that interest on the Series 2007B Bonds is exempt, under existing law, from personal income taxes of the State of New York and its political subdivisions, including The City of New York and the City of Yonkers.

With respect to the opinions in paragraphs 5 and 6, the Internal Revenue Code of 1986 (the "Code") imposes certain requirements that must be met subsequent to the issuance and delivery of the Series 2007B Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Series 2007B Bonds to be included in gross income retroactively to the date of issue of the Series 2007B Bonds. The Authority and the College have covenanted to take all actions necessary to maintain, and to avoid taking any actions that would impair, the exclusion of the interest on the Series 2007B Bonds from gross income for federal income tax purposes pursuant to Section 103(a) of the Code.

In rendering the opinion set forth in paragraphs 5 and 6, we have relied upon representations made by the College with respect to certain material facts within their knowledge and also upon the opinion of Bond, Schoeneck & King, PLLC, counsel to the College, and we have made no independent investigation thereof regarding, among other matters, the current qualification of the College as an organization described in Section 501(c)(3), and exempt from federal income tax pursuant to Section 501(a) of the Code. We note that such opinion is subject to a number of qualifications and limitations. Failure of the College to be organized and operated in accordance with the Internal Revenue Service's requirements for maintenance of its status as an organization described in Section 501(c)(3), and exempt from federal income tax pursuant to Section 501(a), of the Code may result in interest on the Series 2007B Bonds being included in gross income for federal income tax purposes, possibly retroactively from the original delivery of the Series 2007B Bonds.

We have examined an executed Series 2007B Bond and, in our opinion, the form of said bond and its execution are regular and proper.

Except as stated in paragraphs 5 and 6 above, we express no opinion as to any other federal or state tax consequences of the ownership or disposition of the Series 2007B Bonds. Furthermore, we express no opinion as to any federal, state or local tax law consequences with respect to the Series 2007B Bonds, or the interest thereon, if any action is taken with respect to the Series 2007B Bonds or the proceeds thereof upon the advice or approval of other bond counsel.

The opinions contained in paragraphs 2, 3 and 4 above are qualified to the extent that the enforceability of the Resolution, the Series 2007B Bonds and the Loan Agreement may be limited by bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally or as to the availability of any particular remedy.

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

We express no opinion in this letter as to the accuracy, completeness, fairness or sufficiency of the Official Statement, or any appendices thereto.

Very truly yours,

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SPECIMEN FINANCIAL GUARANTY INSURANCE POLICY

Appendix F

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Financial Guaranty Insurance Company
 125 Park Avenue
 New York, NY 10017
 T 212-312-3000
 T 800-352-0001

Municipal Bond New Issue Insurance Policy

Issuer:	Policy Number:
	Control Number: 0010001
Bonds:	Premium:

Financial Guaranty Insurance Company (“Financial Guaranty”), a New York stock insurance company, in consideration of the payment of the premium and subject to the terms of this Policy, hereby unconditionally and irrevocably agrees to pay to U.S. Bank Trust National Association or its successor, as its agent (the “Fiscal Agent”), for the benefit of Bondholders, that portion of the principal and interest on the above-described debt obligations (the “Bonds”) which shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

Financial Guaranty will make such payments to the Fiscal Agent on the date such principal or interest becomes Due for Payment or on the Business Day next following the day on which Financial Guaranty shall have received Notice of Nonpayment, whichever is later. The Fiscal Agent will disburse to the Bondholder the face amount of principal and interest which is then Due for Payment but is unpaid by reason of Nonpayment by the Issuer but only upon receipt by the Fiscal Agent, in form reasonably satisfactory to it, of (i) evidence of the Bondholder’s right to receive payment of the principal or interest Due for Payment and (ii) evidence, including any appropriate instruments of assignment, that all of the Bondholder’s rights to payment of such principal or interest Due for Payment shall thereupon vest in Financial Guaranty. Upon such disbursement, Financial Guaranty shall become the owner of the Bond, appurtenant coupon or right to payment of principal or interest on such Bond and shall be fully subrogated to all of the Bondholder’s rights thereunder, including the Bondholder’s right to payment thereof.

This Policy is non-cancellable for any reason. The premium on this Policy is not refundable for any reason, including the payment of the Bonds prior to their maturity. This Policy does not insure against loss of any prepayment premium which may at any time be payable with respect to any Bond.

As used herein, the term “Bondholder” means, as to a particular Bond, the person other than the Issuer who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof. “Due for Payment” means, when referring to the principal of a Bond, the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity and means, when referring to interest on a Bond, the stated date for payment of interest. “Nonpayment” in respect of a Bond means the failure of the Issuer to have provided sufficient funds to the paying agent for payment in full of all



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 125 Park Avenue
 New York, NY 10017
 T 212-312-3000
 T 800-352-0001

Municipal Bond New Issue Insurance Policy

principal and interest Due for Payment on such Bond. "Notice" means telephonic or telegraphic notice, subsequently confirmed in writing, or written notice by registered or certified mail, from a Bondholder or a paying agent for the Bonds to Financial Guaranty. "Business Day" means any day other than a Saturday, Sunday or a day on which the Fiscal Agent is authorized by law to remain closed.

In Witness Whereof, Financial Guaranty has caused this Policy to be affixed with its corporate seal and to be signed by its duly authorized officer in facsimile to become effective and binding upon Financial Guaranty by virtue of the countersignature of its duly authorized representative.

President

Effective Date:

Authorized Representative

U.S. Bank Trust National Association, acknowledges that it has agreed to perform the duties of Fiscal Agent under this Policy.

Authorized Officer



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 New York, NY 10017
 T 212-312-3000
 T 800-352-0001

Endorsement
 To Financial Guaranty Insurance Company
 Insurance Policy

Policy Number: _____ **Control Number:** 0010001

It is further understood that the term "Nonpayment" in respect of a Bond includes any payment of principal or interest made to a Bondholder by or on behalf of the issuer of such Bond which has been recovered from such Bondholder pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction.

NOTHING HEREIN SHALL BE CONSTRUED TO WAIVE, ALTER, REDUCE OR AMEND COVERAGE IN ANY OTHER SECTION OF THE POLICY. IF FOUND CONTRARY TO THE POLICY LANGUAGE, THE TERMS OF THIS ENDORSEMENT SUPERSEDE THE POLICY LANGUAGE.

In Witness Whereof, Financial Guaranty has caused this Endorsement to be affixed with its corporate seal and to be signed by its duly authorized officer in facsimile to become effective and binding upon Financial Guaranty by virtue of the countersignature of its duly authorized representative.

President

Effective Date:

Authorized Representative

Acknowledged as of the Effective Date written above:

Authorized Officer
U.S. Bank Trust National Association, as Fiscal Agent



Financial Guaranty Insurance Company
 125 Park Avenue
 New York, NY 10017
 T 212-312-3000
 T 800-352-0001

**Mandatory New York State
 Amendatory Endorsement
 To Financial Guaranty Insurance Company
 Insurance Policy**

Policy Number: _____ **Control Number:** 0010001

The insurance provided by this Policy is not covered by the New York Property/Casualty Insurance Security Fund (New York Insurance Code, Article 76).

NOTHING HEREIN SHALL BE CONSTRUED TO WAIVE, ALTER, REDUCE OR AMEND COVERAGE IN ANY OTHER SECTION OF THE POLICY. IF FOUND CONTRARY TO THE POLICY LANGUAGE, THE TERMS OF THIS ENDORSEMENT SUPERSEDE THE POLICY LANGUAGE.

In Witness Whereof, Financial Guaranty has caused this Endorsement to be affixed with its corporate seal and to be signed by its duly authorized officer in facsimile to become effective and binding upon Financial Guaranty by virtue of the countersignature of its duly authorized representative.

President

Effective Date:

Authorized Representative

Acknowledged as of the Effective Date written above:

Authorized Officer
U.S. Bank Trust National Association, as Fiscal Agent



Financial Guaranty Insurance Company
 125 Park Avenue
 New York, NY 10017
 T 212-312-3000
 T 800-352-0001

**Mandatory New York State
 Amendatory Endorsement
 To Financial Guaranty Insurance Company
 Insurance Policy**

Policy Number: _____ **Control Number:** 0010001

Notwithstanding the terms and conditions in this Policy, it is further understood that there shall be no acceleration of payment due under such Policy unless such acceleration is at the sole option of Financial Guaranty.

NOTHING HEREIN SHALL BE CONSTRUED TO WAIVE, ALTER, REDUCE OR AMEND COVERAGE IN ANY OTHER SECTION OF THE POLICY. IF FOUND CONTRARY TO THE POLICY LANGUAGE, THE TERMS OF THIS ENDORSEMENT SUPERSEDE THE POLICY LANGUAGE.

In Witness Whereof, Financial Guaranty has caused this Endorsement to be affixed with its corporate seal and to be signed by its duly authorized officer in facsimile to become effective and binding upon Financial Guaranty by virtue of the countersignature of its duly authorized representative.

President

Effective Date:

Authorized Representative

Acknowledged as of the Effective Date written above:

**Authorized Officer
 U.S. Bank Trust National Association, as Fiscal Agent**



Financial Guaranty Insurance Company
 125 Park Avenue
 New York, NY 10017
 T 212-312-3000
 T 800-352-0001

Endorsement
To Financial Guaranty Insurance Company
Insurance Policy

Policy Number: _____ **Control Number:** 0010001

Notwithstanding the terms and provisions contained in this Policy, it is further understood that the term "Bondholder" shall not include the _____ [Conduit Obligor] (as such term is defined in the bond documentation).

NOTHING HEREIN SHALL BE CONSTRUED TO WAIVE, ALTER, REDUCE OR AMEND COVERAGE IN ANY OTHER SECTION OF THE POLICY. IF FOUND CONTRARY TO THE POLICY LANGUAGE, THE TERMS OF THIS ENDORSEMENT SUPERSEDE THE POLICY LANGUAGE.

In Witness Whereof, Financial Guaranty has caused this Endorsement to be affixed with its corporate seal and to be signed by its duly authorized officer in facsimile to become effective and binding upon Financial Guaranty by virtue of the countersignature of its duly authorized representative.



President

Effective Date:

Authorized Representative

Acknowledged as of the Effective Date written above:



Authorized Officer
U.S. Bank Trust National Association, as Fiscal Agent



Financial Guaranty Insurance Company
 125 Park Avenue
 New York, NY 10017
 T 212-312-3000
 T 800-352-0001

Endorsement
To Financial Guaranty Insurance Company
Insurance Policy

Policy Number: _____ **Control Number:** 0010001

It is further understood that the term "Due for Payment" includes each date on which payment of principal of or interest on [Liquidity Facility Bonds] (as such term is defined in the [indenture/resolution] (the "_____")) is due: in the case of principal, by reason of mandatory redemption pursuant to Section ___ of the _____, and, in the case of interest, at the [Liquidity Facility Rate] (as defined in the _____).

NOTHING HEREIN SHALL BE CONSTRUED TO WAIVE, ALTER, REDUCE OR AMEND COVERAGE IN ANY OTHER SECTION OF THE POLICY. IF FOUND CONTRARY TO THE POLICY LANGUAGE, THE TERMS OF THIS ENDORSEMENT SUPERSEDE THE POLICY LANGUAGE.

In Witness Whereof, Financial Guaranty has caused this Endorsement to be affixed with its corporate seal and to be signed by its duly authorized officer in facsimile to become effective and binding upon Financial Guaranty by virtue of the countersignature of its duly authorized representative.

President

Effective Date:

Authorized Representative

Acknowledged as of the Effective Date written above:

Authorized Officer
U.S. Bank Trust National Association, as Fiscal Agent

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REFUNDED BONDS

Appendix G

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Series	Maturity Date	Outstanding		Interest Rate	Redemption Price	Call Date
		Principal Amount	Principal Amount Redeemed			
1996	7/1/2008	925,000	925,000	5.125%	101%	8/17/2007
1996	7/1/2009	970,000	970,000	5.20%	101%	8/17/2007
1996	7/1/2010	1,020,000	1,020,000	5.25%	101%	8/17/2007
1996	7/1/2016	6,050,000	6,050,000	5.25%	101%	8/17/2007
1996	7/1/2026	13,870,000	13,870,000	5.25%	101%	8/17/2007

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