



<b>\$72,015,000</b>	
<b>DORMITORY AUTHORITY OF THE STATE OF NEW YORK</b>	
<b>LONG ISLAND UNIVERSITY</b>	
<b>REVENUE BONDS, SERIES 2006A</b>	
<b>\$36,005,000 SUBSERIES 2006A-1</b>	<b>\$36,010,000 SUBSERIES 2006A-2</b>
<b>Date of Reoffering: August 7, 2008</b>	<b>Due: September 1, as shown on the inside cover</b>

**Payment and Security:** The Long Island University Revenue Bonds, Subseries 2006A-1 (the "Subseries 2006A-1 Bonds") and The Long Island University Revenue Bonds, Subseries 2006A-2 (the "Subseries 2006A-2 Bonds" and together with the Subseries 2006A-1 Bonds, the "Reoffered Bonds") are special obligations of the Dormitory Authority of the State of New York (the "Authority"). Principal, Redemption Price of and interest on each Subseries of the Reoffered Bonds are payable solely from certain payments to be made by the applicable Letter of Credit Bank as identified below under the Letters of Credit as identified below and, if such amounts are insufficient, the Revenues, which consist of certain payments to be made under the Loan Agreement, dated as of July 26, 2006, as amended and restated by the Amended and Restated Loan Agreement dated as of June 25, 2008 (the "Loan Agreement") between Long Island University (the "University") and the Authority and all funds and accounts (except the Arbitrage Rebate Fund, the Credit Facility Fund and the Credit Facility Payment Fund) authorized and established under the Authority's Long Island University Revenue Bond Resolution, adopted July 26, 2006, as amended and restated as its Long Island University Bond Resolution on June 25, 2008 (the "Bond Resolution") and under the Authority's Series 2006A Resolution Authorizing Long Island University Revenue Bonds, Series 2006A in an Amount Not Exceeding \$74,000,000, adopted July 26, 2006, as amended and restated on June 25, 2008 (the "Series Resolution").

The Subseries 2006A-1 Bonds are to be separately secured by an irrevocable direct pay letter of credit (the "2006A-1 Letter of Credit") issued by Allied Irish Banks, p.l.c.



acting through its New York Branch (the "2006A-1 Letter of Credit Bank"), held by Manufacturers and Traders Trust Company, Buffalo, New York, as trustee and tender agent (the "Trustee"). The 2006A-1 Letter of Credit securing the Subseries 2006A-1 Bonds provides for payment of an amount not to exceed the principal of and up to 50 days' interest on the Subseries 2006A-1 Bonds, at a maximum rate of 12% per annum, and the Purchase Price of Subseries 2006A-1 Bonds tendered for purchase and not remarketed as described herein. The 2006A-1 Letter of Credit is stated to expire on August 7, 2011, unless terminated or extended prior to such date, in accordance with its terms.

The Subseries 2006A-2 Bonds are to be separately secured by an irrevocable direct pay Letter of Credit (the "2006A-2 Letter of Credit", together with the 2006A-1 Letter of Credit, collectively, the "Letters of Credit") issued by RBS Citizens, N.A.



(the "2006A-2 Letter of Credit Bank", together with the 2006A-1 Letter of Credit Bank, the "Letter of Credit Banks"), held by the Trustee. The 2006A-2 Letter of Credit provides for payment of an amount not to exceed the principal of and up to 34 days' interest on the Subseries 2006A-2 Bonds, at a maximum rate of 12% per annum, and the Purchase Price of the Subseries 2006A-2 Bonds tendered for purchase and not remarketed as described herein. The 2006A-2 Letter of Credit is stated to expire on August 7, 2011, unless terminated or extended prior to such date, in accordance with its terms.

The University, the 2006A-1 Letter of Credit Bank and the 2006A-2 Letter of Credit Bank are to enter into the Reimbursement Agreement, providing for, among other things, reimbursement to the Letter of Credit Banks of amounts drawn under the Letters of Credit. See "PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES REOFFERED BONDS – The Letters of Credit."

**THE REOFFERED BONDS ARE NOT TO BE SECURED BY ANY FINANCIAL GUARANTY INSURANCE POLICY. ANY AND ALL SUCH INSURANCE POLICIES ISSUED BY CIFG ASSURANCE NORTH AMERICA, INC. IN CONNECTION WITH THE INITIAL ISSUANCE OF THE 2006 BONDS (AS DEFINED HEREIN) ARE TO BE CANCELLED AND ARE TO BE OF NO FURTHER FORCE OR EFFECT AS OF THE CONVERSION DATE.**

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

**Description:** The Reoffered Bonds will be reoffered on August 7, 2008 (the "Conversion Date"). The Reoffered Bonds will be available as fully registered Variable Interest Rate Bonds in the Weekly Rate Mode in denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof. For the period commencing on their Conversion Date, the Reoffered Bonds are to bear interest at their respective Initial Rates for their respective Initial Rate Periods through and including the Wednesday following their Conversion Date. Thereafter, the Reoffered Bonds are to bear interest at their respective Weekly Rates for Weekly Rate Periods until converted to another Rate Period. Each Weekly Rate is to be determined on the Business Day immediately preceding the first day of each Weekly Rate Period, payable in arrears, on the first Business Day of each calendar month, commencing on September 2, 2008, for as long as the Reoffered Bonds bear interest at a Weekly Rate, by Piper Jaffray & Co., as Remarketing Agent (or any successor remarketing agent) (the "Remarketing Agent"). The Reoffered Bonds, while in the Weekly Rate Mode, are subject to tender at the option of the Holder and to mandatory tender for purchase under certain circumstances, as described herein. The interest rates on all or a portion of the Reoffered Bonds may be converted from time to time to a Daily Rate, a Commercial Paper Rate, a Term Rate, a Fixed Rate or an Auction Rate. This Reoffering Circular, in general, describes the Reoffered Bonds only during the Weekly Rate Mode. See "PART 3 – THE REOFFERED BONDS."

The Reoffered Bonds have been issued under a Book-Entry Only System, registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"). Individual purchases of beneficial interests in the Reoffered Bonds are to be made in Book-Entry form (without certificates). So long as DTC or its nominee is the registered owner of the Reoffered Bonds, payments of the principal, Purchase Price and Redemption Price of and interest on such Reoffered Bonds and notice relating thereto are to 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 REOFFERED BONDS - Book-Entry Only System" herein.

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

**Tax Matters:** On the date of original issuance and delivery of the 2006 Bonds, Bond Counsel delivered its opinion that under existing law and assuming compliance with the tax covenants described herein, and the accuracy of certain representations and certifications made by the Authority and the University described herein, interest on the 2006 Bonds would be excluded from gross income for Federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In that opinion, Bond Counsel also opined that interest on the 2006 Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, but indicated that such interest is included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax imposed on such corporations. On the date of original issuance and delivery of the 2006 Bonds, Bond Counsel also delivered its opinion that, under existing statutes, interest on the 2006 Bonds was exempt from personal income taxes imposed by the State of New York and any political subdivision thereof, including The City of New York. In connection with the reoffering of the Reoffered Bonds, Bond Counsel will deliver its opinion that under existing law, the substitution by the University of the Dexia Standby Bond Purchase Agreement with the Letters of Credit as liquidity support for the Reoffered Bonds and the release of the financial guarantee insurance policy will not adversely affect any exclusion from gross income of the interest on the Reoffered Bonds for Federal income tax purposes. Bond Counsel is not rendering any opinion on the current tax status of the 2006 Bonds. See "PART 10 – TAX MATTERS" herein.

*In connection with the conversion and reoffering of the Reoffered Bonds, certain legal matters will be passed upon by Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel. Certain legal matters will be passed upon for the Remarketing Agent by its Counsel, Winston & Strawn LLP, New York, New York. Certain legal matters will be passed upon for the University by its Special Counsel, Moritt Hock Hamroff & Horowitz LLP, Garden City, New York. The Authority expects to complete the conversion and remarketing of the Reoffered Bonds in New York, New York on or about August 7, 2008.*

PiperJaffray®

## **MATURITY SCHEDULE**

### **SUBSERIES 2006A-1 BONDS**

\$8,075,000 Term Bonds due September 1, 2026 @100% CUSIP 649903 2C4

\$27,930,000 Term Bonds due September 1, 2036 @100% CUSIP 649903 2E0

### **SUBSERIES 2006A-2 BONDS**

\$8,080,000 Term Bonds due September 1, 2026 @100% CUSIP 649903 2F7

\$27,930,000 Term Bonds due September 1, 2036 @100% CUSIP 649903 2D2

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

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

*Certain information in this Reoffering Circular has been supplied by the University, the Letter of Credit Banks and other sources that the Authority believes are reliable. The Authority does not guarantee the accuracy or completeness of such information and such information is not to be construed as a representation of the Authority.*

*The University reviewed the parts of this Reoffering Circular describing the University, the Project and Principal and Interest Requirements. It is a condition to the sale and the delivery of the Reoffered Bonds that the University certify that, as of the date of this Reoffered Circular and delivery of the Reoffered Bonds, such parts do not contain any untrue statements of a material fact and do not omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which the statements are made, not misleading. The University makes no representations as to the accuracy or completeness of any other information included in this Reoffering Circular.*

*Other than with respect to information concerning the 2006A-1 Letter of Credit Bank and the 2006A-1 Letter of Credit contained under the caption "PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE REOFFERED BONDS – The 2006A-1 Letter of Credit," and in "PART 4 – Allied Irish Banks, p.l.c." herein, none of the information in this Reoffering Circular has been supplied or verified by the 2006A-1 Letter of Credit Bank, and the 2006A-1 Letter of Credit Bank makes no representation or warranty, express or implied, as to (i) the accuracy or completeness of such information; (ii) the validity of the Reoffered Bonds; or (iii) the tax status of the interest on the Reoffered Bonds.*

*Other than with respect to information concerning the 2006A-2 Letter of Credit Bank and the 2006A-2 Letter of Credit contained under the caption "PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE REOFFERED BONDS – The 2006A-2 Letter of Credit," and in "PART 4 – RBS Citizens, N.A." herein, none of the information in this Reoffering Circular has been supplied or verified by the 2006A-2 Letter of Credit Bank, and the 2006A-2 Letter of Credit Bank makes no representation or warranty, express or implied, as to (i) the accuracy or completeness of such information; (ii) the validity of the Reoffered Bonds; or (iii) the tax status of the interest on the Reoffered Bonds.*

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

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

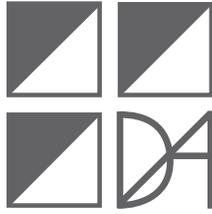
*Under no circumstances shall the delivery of this Reoffering Circular or any sale made after its delivery create any implication that the affairs of the Authority, the University or the Letter of Credit Banks have remained unchanged after the date of this Reoffering Circular.*

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**DORMITORY AUTHORITY - STATE OF NEW YORK 515 BROADWAY, ALBANY, N.Y. 12207**  
**PAUL T. WILLIAMS, JR. - EXECUTIVE DIRECTOR GAIL H. GORDON, ESQ. - CHAIR**

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**REOFFERING CIRCULAR RELATING TO  
\$72,015,000  
DORMITORY AUTHORITY OF THE STATE OF NEW YORK  
LONG ISLAND UNIVERSITY  
REVENUE BONDS**

**\$36,005,000  
SUBSERIES 2006A-1**

**\$36,010,000  
SUBSERIES 2006A-2**

**PART 1 - INTRODUCTION**

**Purpose of this Reoffering Circular**

The purpose of this Reoffering Circular, including the cover page and appendices, is to provide information about the Dormitory Authority of the State of New York (the “Authority”), Long Island University (the “University” or the “Institution”), Allied Irish Banks, p.l.c., New York Branch (the “2006A-1 Letter of Credit Bank”) and RBS Citizens, N.A. (the “2006A-2 Letter of Credit Bank”; and, together with the 2006A-1 Letter of Credit Bank, the “Letter of Credit Banks”), in connection with the reoffering of \$36,005,000 principal amount of its Long Island University Revenue Bonds, Subseries 2006A-1 (the “Subseries 2006A-1 Bonds”) and \$36,010,000 principal amount of its Long Island University Revenue Bonds, Subseries 2006A-2 (the “Subseries 2006A-2 Bonds”, together with the Subseries 2006A-1 Bonds, the “Reoffered Bonds”).

On November 9, 2006, \$72,600,000 aggregate principal amount of the Authority’s Long Island University Insured Revenue Bonds, Series 2006A (the “2006 Bonds”) were issued pursuant to the Long Island University Insured Revenue Bond Resolution adopted July 26, 2006 (the “2006 Bond Resolution”), its Series 2006A Resolution adopted July 26, 2006 (the “2006 Series Resolution”) and its Bond Series Certificate dated as of November 8, 2006 (the “2006 Bond Series Certificate,” and, collectively with the 2006 Bond Resolution and the 2006 Series Resolution, the “2006 Resolutions”) and the Act. A portion of the proceeds from the 2006 Bonds are being used to finance various construction and renovation projects throughout the University’s campus. See “PART 7 – THE PROJECT.” From the date of their original issuance, the 2006 Bonds have borne interest at a Daily Rate.

Pursuant to the terms of the 2006 Bond Resolution, as amended and restated as of June 25, 2008 (the “Bond Resolution”), the 2006 Series Resolution, as amended and restated as of June 25, 2008 (the “Series Resolution”) and the 2006 Bond Series Certificate, as amended and restated as of August 6, 2008 (the “Bond Series Certificate,” and, collectively with the Bond Resolution and the Series Resolution, the “Resolutions”), if certain conditions are met on August 7, 2008 (the “Conversion Date”), the financial guarantee insurance policy issued by CIFG Assurance North America, Inc. (“CIFG”) simultaneously with the initial issuance of the 2006 Bonds (the “CIFG Bond Insurance Policy”), which guaranteed the timely payment of principal and interest on the 2006 Bonds, and the Standby Bond Purchase Agreement delivered by Dexia Crédit Local (“Dexia”) simultaneously with the initial issuance of the 2006

Bonds (the “Dexia Standby Bond Purchase Agreement”), which provided liquidity support for the 2006 Bonds, are to be cancelled and from and after the Conversion Date the Reoffered Bonds are to be secured by the Letters of Credit and bear interest at Weekly Rates. On the Conversion Date, as a result of the replacement of the Dexia Standby Bond Purchase Agreement with the Letters of Credit, the \$72,015,000 aggregate principal amount of Outstanding 2006 Bonds are to be mandatorily tendered for purchase at a price of par.

The following is a description of certain information concerning the Reoffered Bonds, the Authority, the University, the Project and the Letter of Credit Banks. A more complete description of such information and additional information that may affect decisions to invest in the Reoffered Bonds is contained throughout this Reoffering Circular, which should be read in its entirety. Certain terms used in this Reoffering Circular are defined in Appendix A hereto.

**This Reoffering Circular only describes the terms and provisions of the Reoffered Bonds while the Reoffered Bonds bear interest at Weekly Rates. If the interest Mode on the Reoffered Bonds is changed from the Weekly Rate to another Mode, this Reoffering Circular may be supplemented or a new Reoffering Circular or remarketing circular may be delivered describing the new Mode.**

### **Authorization of Issuance**

The Reoffered Bonds are issued pursuant to the Resolutions and the Act. In addition to the Reoffered Bonds, the Bond Resolution authorizes the issuance of other Series of Bonds to pay other Costs of one or more projects, to make deposits to the Debt Service Reserve Fund, if any, to pay the Costs of Issuance of such Series of Bonds, to refund all or a portion of Outstanding Bonds or other notes or bonds of the Authority issued for the benefit of the University and to be exchanged for bonds, notes or other evidences of indebtedness of the University. All Bonds issued under the Bond Resolution are to rank on a parity with each other and are to be secured equally and ratably with each other, except with respect to the applicable Credit Facilities (as defined in the Resolution). The Reoffered Bonds are the only Bonds Outstanding under the Bond Resolution as of the Conversion Date. Under and pursuant to the Authority’s Long Island University Insured Revenue Bond Resolution, adopted on March 29, 1995 (the “Prior Resolution”), in 1996 the Authority issued its Long Island University Insured Revenue Bonds, Series 1996 (the “Series 1996 Bonds”), none of which is currently outstanding, in 1999 the Authority issued its Long Island University Insured Revenue Bonds, Series 1999, of which approximately \$35,600,000 is currently outstanding (the “Series 1999 Bonds”), and in 2003 the Authority issued its Long Island University Insured Revenue Bonds, Series 2003A, of which approximately \$15,400,000 is currently outstanding (the “Series 2003A Bonds”), and its Long Island University Insured Revenue Bonds, Series 2003B, of which approximately \$21,800,000 is currently outstanding (the “Series 2003B Bonds”; and together with the Series 1999 Bonds and the Series 2003A Bonds, the “Prior Bonds”). See “PART 2 - SOURCE OF PAYMENT AND SECURITY FOR THE REOFFERED BONDS” and “PART 3 - THE REOFFERED BONDS.”

### **The Reoffered Bonds**

The Reoffered Bonds are being reoffered as Variable Interest Rate Bonds in two Subseries each separately secured by the respective Letters of Credit and are to bear interest from the Conversion Date at their Initial Rates for their Initial Rate Period ending on the Wednesday following the Conversion Date and thereafter are to bear interest in the Weekly Rate Period until converted to another rate period. The Reoffered Bonds are to mature as set forth on the inside cover page hereof. The interest rates are to be determined by the Remarketing Agent, under an Amended and Restated Remarketing Agreement, dated as of the Conversion Date (the “Remarketing Agreement”), between and among the Remarketing Agent, the Authority and the University. In no event is the interest rate on any Reoffered Bond to exceed the Maximum Rate (as herein defined). Interest is initially payable on September 2, 2008, on the first Business Day of each calendar month thereafter and on any Conversion Date (as defined herein). See “PART 3 – THE REOFFERED BONDS – Interest Rates and Rate Periods.”

During any Weekly Rate Period, Owners may tender their Reoffered Bonds for purchase at a purchase price of par plus accrued interest, if any, to the purchase date on any Business Day by delivering proper notice to the Tender Agent. See “PART 3 – THE REOFFERED BONDS – Optional Tenders for Purchase.” The Reoffered Bonds also are subject to mandatory tender for purchase upon adjustment to an alternate interest rate period and

under certain other circumstances described herein. See “PART 3 – THE REOFFERED BONDS – Mandatory Tenders for Purchase.”

Piper Jaffray & Co. is serving as the Remarketing Agent with respect to the Reoffered Bonds.

### **Payment of the Reoffered Bonds**

Each Subseries of the Reoffered Bonds are special obligations of the Authority payable solely from certain payments to be made by the applicable Letter of Credit Bank under the applicable Letter of Credit and, if such amounts are insufficient, the Revenues consisting of certain payments to be made by the University under the Loan Agreement. The Loan Agreement is a general obligation of the University. Pursuant to the Resolutions, the Revenues and the Authority’s right to receive the Revenues have been pledged to the Trustee. See “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE REOFFERED BONDS.”

### **Security for the Reoffered Bonds**

The Reoffered Bonds are secured equally with all other Bonds to be issued under the Bond Resolution by the pledge and assignment to the Trustee of the Revenues and the security interest in the Pledged Revenues granted by the University to the Authority under the Loan Agreement. The University previously granted security interests in its Pledged Revenues to the Authority for the benefit of the owners of the Prior Bonds (the “Parity Pledges”). Such Parity Pledges are subject to certain prior pledges and are on an equal and ratable basis with the security interest in Pledged Revenues granted to the Authority in respect of the Reoffered Bonds. In addition, the Authority’s right, title and interest in the Loan Agreement (other than certain retained rights) will be assigned to the Trustee and the Banks. The University’s obligations under the loan agreements relating to the Prior Bonds (collectively, the “Prior Loan Agreement”) are secured by mortgages on certain real property of the University (the “Existing Mortgages”). The University’s obligations to the Authority under the Loan Agreement are additionally secured by a mortgage on certain real property of the University, dated as of the date of initial issuance of the 2006 Bonds (the “2006 Mortgage”). The Existing Mortgages and the 2006 Mortgage encumber different parcels of real property of the University. The respective rights and remedies of the Authority, the Trustee and the trustee for the Prior Bonds with respect to the Existing Mortgages, the 2006 Mortgage and the Pledged Revenues are governed by the provisions of an Intercreditor Agreement. See “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE REOFFERED BONDS – The Intercreditor Agreement.”

The Reoffered Bonds are not supported by a debt service reserve fund.

The Reoffered Bonds are also secured by all funds and accounts established by the Resolution (with the exception of the Arbitrage Rebate Fund, the Credit Facility Fund and the Credit Facility Repayment Fund). See “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE REOFFERED BONDS – Security for the Reoffered Bonds.”

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

### **The Letters of Credit**

Pursuant to the Reimbursement Agreement, the 2006A-1 Letter of Credit Bank will deliver the 2006A-1 Letter of Credit, dated the date of the reoffering of the Subseries 2006A-1 Bonds, pursuant to which the 2006A-1 Letter of Credit Bank will be obligated, subject to the terms and conditions of the 2006A-1 Letter of Credit, to pay, when due, an amount not to exceed the principal of and up to 50 days’ interest on the Subseries 2006A-1 Bonds, at a maximum rate of 12% per annum, and the Purchase Price of such Bonds tendered for purchase pursuant to the Resolutions but not remarketed. The 2006A-1 Letter of Credit will expire on August 7, 2011 unless renewed, extended or terminated pursuant thereto. See “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SUBSERIES 2006A-1 BONDS – The 2006A-1 Letter of Credit.”

Pursuant to the Reimbursement Agreement, the 2006A-2 Letter of Credit Bank will deliver the 2006A-2 Letter of Credit, dated the date of the reoffering of the Subseries 2006A-2 Bonds, pursuant to which the 2006A-2

Letter of Credit Bank will be obligated, subject to the terms and conditions of the 2006A-2 Letter of Credit, to pay, when due, an amount not to exceed the principal of and up to 34 days' interest on the Subseries 2006A-1 Bonds, at a maximum rate of 12% per annum, and the Purchase Price of such Bonds tendered for purchase pursuant to the Resolutions but not remarketed. The 2006A-2 Letter of Credit will expire on August 7, 2011 unless renewed, extended or terminated pursuant thereto. See "PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SUBSERIES 2006A-2 BONDS – 2006A-2 The Letter of Credit."

### **The University**

The University is an independent, coeducational, nonsectarian, not-for-profit institution of higher education chartered by the Board of Regents of the State. The University's central administrative office is located in Brookville, New York. See "PART 5 – THE UNIVERSITY".

### **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 6 – THE AUTHORITY."

### **The Project**

The Project consists of the construction and equipping of various new facilities and the renovation and improvement of various existing facilities located at the Brooklyn Campus and the C.W. Post Campus of the University. See "PART 7 – THE PROJECT."

### **The Mortgages**

The University's obligations to the Authority under the Loan Agreement are secured by the 2006 Mortgage on the Mortgaged Property and security interests in certain fixtures, furnishings and equipment now or hereafter located therein or used in connection therewith. The Existing Mortgages which encumber property of the University other than the property subject to the 2006 Mortgage have been granted to the Authority to secure the Prior Bonds. Such Existing Mortgages were assigned to Manufacturers and Traders Trust Company, Buffalo, New York, as trustee for the Prior Bonds (the "Prior Bond Trustee"), pursuant to certain assignments of mortgage among the Authority, the Prior Bond Trustee and Radian Asset Assurance Inc., as the issuer of bond insurance policies guaranteeing the timely payment of the principal of and interest on the Prior Bonds ("Radian"), and the 2006 Mortgage was assigned to the Trustee at the time of the initial issuance of the 2006 Bonds. In connection with the reoffering of the Reoffered Bonds, the Trustee will assign the 2006 Mortgage back to the Authority and the 2006 Mortgage will be modified by a Mortgage Modification Agreement to be dated as of the reoffering of the Reoffered Bonds (the "2006 Mortgage Modification Agreement") and then assigned by the Authority to the Letter of Credit Banks and the Trustee in accordance with the terms of an assignment to be dated as of the Conversion Date (the "Assignment of Mortgage"). The Letter of Credit Banks, the Authority and the Trustee will also enter into an Assignment Agreement to be dated as of the Conversion Date (the "Assignment Agreement") which shall set forth the relative rights of such parties with regard to the 2006 Mortgage. The 2006 Mortgage and the Existing Mortgages are referred to collectively herein as the "Mortgages". The Mortgages will secure the obligations of the University under the Prior Loan Agreement and the Loan Agreement relating to Reoffered Bonds on an equal and ratable basis in accordance with the provisions of the Intercreditor Agreement.

### **The Intercreditor Agreement**

In connection with the reoffering of the Reoffered Bonds, the Authority, the Prior Bond Trustee, and the Trustee will enter into an amended and restated intercreditor agreement, which shall be acknowledged and agreed to by the Letter of Credit Banks and Radian (the "Intercreditor Agreement") providing for the enforcement and administration of remedies and, in certain circumstances, the pro rata distribution of Pledged Revenues and proceeds of foreclosure of the Mortgages. See "PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE REOFFERED BONDS – The Intercreditor Agreement."

## **PART 2 - SOURCE OF PAYMENT AND SECURITY FOR THE REOFFERED BONDS**

*Set forth below is a narrative description of certain contractual provisions relating to the source of payment of and security for the Reoffered Bonds and certain related covenants. These provisions have been summarized and this description does not purport to be complete. Reference should be made to the Act, the Resolutions, the Loan Agreement, the Mortgages, the Intercreditor Agreement and the Letters of Credit. Copies of the Resolutions, the Loan Agreement, the Mortgages, the Intercreditor Agreement and the Letters of Credit are on file with the Authority and the Trustee. See also "Appendix B – Summary of Certain Provisions of the Loan Agreement" and "Appendix C – Summary of Certain Provisions of the Resolution" for a more complete statement of the rights, duties and obligations of the parties thereto. **The information set forth below is applicable to the Reoffered Bonds while they are in the Weekly Rate Mode.***

### **Payment of the Reoffered Bonds**

The Reoffered Bonds are special obligations of the Authority payable from proceeds received by the Trustee from drawings under the respective Letters of Credit and, if such amounts are insufficient, the Revenues. The Revenues consist of the payments required to be made by the University under the Loan Agreement to satisfy the principal, Sinking Fund Installments, Redemption Price of and interest on the Reoffered Bonds. The Revenues and the right to receive them have been pledged to the Trustee for the benefit of the Owners of Bonds, including the Reoffered Bonds.

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

The Loan Agreement is a general obligation of the University and obligates the University to make payments to satisfy the principal and Sinking Fund Installments of and interest on Outstanding Bonds. Pursuant to the Loan Agreement, on or before the tenth (10<sup>th</sup>) day of each month commencing on the tenth (10<sup>th</sup>) day of the month (which is at least sixty (60) days prior to the interest payment date) the University is to pay or cause to be paid to or upon the order of the Authority the interest coming due on the Reoffered Bonds on such interest payment date (assuming that such Reoffered 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 the rates per annum equal to the rates per annum for such Bonds on the immediately preceding Business Day, plus one percent (1%) per annum). On the tenth (10<sup>th</sup>) day of each month, commencing on the tenth (10<sup>th</sup>) day of September immediately preceding the September 1 on which the principal or a Sinking Fund Installment of Reoffered Bonds becomes due, the University is to pay or cause to be paid to or upon the order of the Authority one-twelfth (1/12) of the principal and Sinking Fund Installment on the Reoffered Bonds coming due on such September 1. The Loan Agreement also obligates the University to pay, at least 15 days prior to a redemption date of Bonds called for redemption, the amount, if any, required to pay the Redemption Price of such Bonds. See "PART 3 – THE REOFFERED BONDS – Redemption Provisions."

The Authority has directed, and the University has agreed, to make such payments directly to the Trustee. Such payments are to be applied by the Trustee repay the Letter of Credit Banks with respect to draws under the respective Letters of Credit or, if such amounts drawn under the respective Letters of Credit are insufficient to pay Bondholders, to the payment of the principal, Sinking Fund Installment and Redemption Price of and interest on the Bonds (including the Reoffered Bonds).

### **Security for the Reoffered Bonds**

The Reoffered Bonds are secured by the payments described above to be made under the Letters of Credit, the Revenues and all funds and accounts established by the Resolution (with the exception of the Arbitrage Rebate Fund, the Credit Facility Fund and the Credit Facility Payment Fund) and, subject to existing Parity Pledges for the benefit of the owners of the Prior Bonds, the security interest in the Pledged Revenues. The security for the Reoffered Bonds would be for the benefit of all other Bonds issued and Outstanding under the Resolution, which Bonds would rank on a parity and be secured equally and ratably with each other and with the Reoffered Bonds,

except with respect to the specific credit or liquidity facilities. The Reoffered Bonds are the first and only Series of Bonds issued under the Resolution.

The University has previously granted security interests in the Pledged Revenues to the Authority for the benefit of the owners of the Prior Bonds. Pursuant to the terms of the Intercreditor Agreement, such Parity Pledges are on an equal and ratable basis with the security interest in Pledged Revenues granted to the Authority in respect of the Reoffered Bonds. See “Appendix C – Summary of Certain Provisions of the Resolution.”

In addition, the Authority’s right, title and interest under the Prior Loan Agreement, other than certain retained rights, were assigned by the Authority to the Prior Bond Trustee when the Prior Bonds were issued pursuant to certain assignment agreements among the Authority, the Prior Bond Trustee and Radian. The Existing Mortgages were assigned to the Prior Bond Trustee pursuant to assignments of mortgage from the Authority to the Prior Bond Trustee executed at the time of issuance of the Prior Bonds and the 2006 Mortgage was assigned to the Trustee pursuant to an assignment of mortgage from the Authority to the Trustee executed at the time of initial issuance of the Reoffered Bonds. In connection with the reoffering of the Reoffered Bonds, the Trustee will assign the 2006 Mortgage back to the Authority and the 2006 Mortgage will be modified by the 2006 Mortgage Modification Agreement and then assigned by the Authority to the Letter of Credit Banks and the Trustee in accordance with the terms of the Assignment of Mortgage. The Authority, the Letter of Credit Banks and the Trustee will enter into the Assignment Agreement, pursuant to which the Authority retains the right to receive certain fees and indemnification and the right, for a limited period, to direct the remedies for, or waive, certain events of default under the Loan Agreement relating to breaches of certain covenants other than those regarding payment of amounts sufficient to pay principal of and interest on the Reoffered Bonds.

#### *Pledged Revenues*

The Bonds (including the Reoffered Bonds) are secured by a pledge of the Pledged Revenues, and the right to receive such Pledged Revenues, subject to the Intercreditor Agreement and existing Parity Pledges for the benefit of the owners of the Prior Bonds. “Appendix B – Summary of Certain Provisions of the Loan Agreement – Additional Covenants – Restrictions on Incurrence of Additional Indebtedness.”

THE REOFFERED BONDS ARE NOT TO BE SECURED BY ANY FINANCIAL GUARANTY INSURANCE POLICY. ANY AND ALL SUCH INSURANCE POLICIES ISSUED BY CIFG ASSURANCE NORTH AMERICA, INC. IN CONNECTION WITH THE INITIAL ISSUANCE OF THE 2006 BONDS ARE TO BE CANCELLED AND ARE TO BE OF NO FURTHER FORCE OR EFFECT AS OF THE CONVERSION DATE.

#### **The Letters of Credit**

##### *General*

**The Subseries 2006A-1 Bonds will be secured by the 2006A-1 Letter of Credit. The Subseries 2006A-2 Bonds will be secured by the 2006A-2 Letter of Credit. The 2006A-1 Letter of Credit will provide liquidity and credit support for Subseries 2006A-1 Bonds and the 2006A-2 Letter of Credit will provide liquidity and credit support for Subseries 2006A-2 Bonds.**

##### **The 2006A-1 Letter of Credit**

The following description is subject in all respect to the complete terms of the 2006A-1 Letter of Credit, to which reference is made.

The 2006A-1 Letter of Credit will be issued by the 2006A-1 Letter of Credit Bank in an amount not exceeding \$36,596,864, as reduced or reinstated from time to time in accordance with the terms of the 2006A-1 Letter of Credit (the “2006A-1 Available Amount”) of which (i) an amount not exceeding \$36,005,000 may be drawn upon with request to the payment of principal or the principal component of the Purchase Price of the Subseries 2006A-1 Bonds, and (ii) an amount not exceeding \$591,864 may be drawn upon request with respect to

the payment of up to 50 days' accrued interest on or the interest component of the Purchase Price of the Subseries 2006A-1 Bonds, computed at an assumed maximum interest rate of 12% annum, without premium.

Subject to the provisions contained in the immediately following paragraph, each drawing for principal or the portion of Purchase Price corresponding to principal on the Subseries 2006A-1 Bonds shall *pro tanto* reduce the principal component, and each drawing for interest on the Subseries 2006A-1 Bonds shall *pro tanto* reduce the interest component, and any such reduction shall result in a corresponding reduction in the 2006A-1 Available Amount.

After a drawing for the principal component of the Purchase Price of the Subseries 2006A-1 Bonds upon an optional tender of the Subseries 2006A-1 Bonds, the principal component shall be reinstated when and to the extent, but only when and to the extent, the 2006A-1 Letter of Credit Bank is reimbursed by or on behalf of the University for the full payment in respect of such drawing. After a drawing for the interest component of the Purchase Price of the Subseries 2006A-1 Bonds upon an optional tender of the Subseries 2006A-1 Bonds, the interest component shall be reinstated the earlier to occur of (i) the beginning of the eighth (8th) calendar day after the Bank's honoring of such draw unless the Trustee shall have received a certificate from the 2006A-1 Letter of Credit Bank by the close of business on the seventh (7th) calendar day following the date on which the draft is honored that such amount is not so reinstated because the 2006A-1 Letter of Credit Bank has not been reimbursed in full for any such drawing and (ii) when and to the extent, but only when and to the extent, the 2006A-1 Letter of Credit Bank is reimbursed by or on behalf of the University for the full payment in respect of such drawing. With respect to a drawing for interest made in respect of interest payable on an Interest Payment Date as a scheduled periodic payment of interest on the Subseries 2006A-1 Bonds, if the Trustee shall not have received, within eight (8) calendar days after any payment in respect of such drawing, notice from the 2006A-1 Letter of Credit Bank to the effect that the 2006A-1 Letter of Credit will not be reinstated as of the date thereof, then the interest component will automatically be reinstated as of the close of business on such seventh (7th) calendar day to an amount equal to 50 days' accrued interest (computed at the maximum rate of interest of 12% of the basis of a 365/366-day year) on the then applicable principal component. The principal component and interest component shall not be reinstated for any drawing made with respect to a redemption or mandatory tender.

The 2006A-1 Letter of Credit will terminate upon the earliest to occur of (i) 4:00 p.m. (New York City time) on August 7, 2011, unless extended; (ii) the date on which the 2006A-1 Letter of Credit Bank receives a fully executed certificate in the form set forth in the 2006A-1 Letter of Credit, which states that (x) no Subseries 2006A-1 Bonds remain outstanding within the meaning of the Reimbursement Agreement, (y) all drawings required to be made under the Reimbursement Agreement and available under the 2006A-1 Letter of Credit have been made and honored, or (z) a substitute letter of credit has been issued to replace the 2006A-1 Letter of Credit pursuant to the Resolution and Bond Series Certificate and, accordingly, the 2006A-1 Letter of Credit shall be terminated in accordance with its terms; (iii) the date on which the 2006A-1 Letter of Credit Bank honors a fully executed certificate in the form set forth in the 2006A-1 Letter of Credit in connection with a mandatory or optional redemption of all of the Subseries 2006A-1 Bonds (other than for a drawing presented to the 2006A-1 Letter of Credit Bank pursuant to clause (iv) below); (iv) the date which is ten (10) Business Days following receipt by the Trustee of a fully executed certificate in the form set forth in the 2006A-1 Letter of Credit, which states that an Event of Default has occurred under the Reimbursement Agreement and directs the Trustee to call a mandatory tender of the Subseries 2006A-1 Bonds; (v) the date on which the 2006A-1 Letter of Credit Bank honors a drawing pursuant to a certificate in the form set forth in the 2006A-1 Letter of Credit in connection with the maturing principal amount, whether by acceleration, defeasance or stated maturity of all of the Subseries 2006A-1 Bonds; or (vi) the Business Day following the Conversion Date.

### **The 2006A-2 Letter of Credit**

The following, in addition to the information provided elsewhere in this Reoffering Circular, summarizes certain provisions of the 2006A-2 Letter of Credit. Reference is hereby made to the 2006A-2 Letter of Credit for the detailed terms and provisions thereof

The 2006A-2 Letter of Credit which is issued in connection with the Subseries 2006A-2 Bonds is irrevocable, and shall be issued in an original stated amount of \$36,412,523 (the "2006A-2 Letter of Credit Commitment"), of which \$36,010,000 shall be with respect to the principal of the Subseries 2006A-2 Bonds or the

portion of the Purchase Price corresponding to the principal thereof, and \$402,523 shall be with respect to 34 days of accrued interest on the Subseries 2006A-2 Bonds or the portion of the Purchase Price corresponding to interest thereon, calculated at a rate of 12% per annum, based on the actual number of days elapsed in a year of 365 or 366 days, as applicable.

The 2006A-2 Letter of Credit shall terminate automatically on the earliest of (A) the payment by the 2006A-2 Letter of Credit Bank to the Trustee of the final drawing available to be made under the 2006A-2 Letter of Credit; (B) receipt by the 2006A-2 Letter of Credit Bank of the 2006A-2 Letter of Credit and a certificate signed by an officer of the Trustee and an authorized representative of the University stating that no Subseries 2006A-2 Bonds remain outstanding; (C) receipt by the 2006A-2 Letter of Credit Bank of the 2006A-2 Letter of Credit and a certificate signed by an officer of the Trustee and an authorized representative of the University stating that “a Substitute Credit Facility in substitution for the 2006A-2 Letter of Credit has been accepted by the Trustee and is in effect”; (D) the date which is ten (10) Business Days following receipt by the Trustee of a fully executed certificate in the form set forth in the 2006A-2 Letter of Credit, which states that an Event of Default has occurred under the Reimbursement Agreement and directs the Trustee to call a mandatory tender of the Subseries 2006A-2 Bonds; (E) the Business Day following the Conversion Date or (F) August 7, 2011 unless extended by the 2006A-2 Letter of Credit Bank.

### ***Reduction and Reinstatement of 2006A-2 Letter of Credit***

Drawings may be made under the 2006A-2 Letter of Credit in order to pay the principal of and interest on the Subseries 2006A-2 Bonds when due and the Purchase Price, consisting of the principal amount of and accrued and unpaid interest on the Subseries 2006A-2 Bonds tendered pursuant to the Bond Series Certificate, to the extent remarketing proceeds are not available for such purpose (a “Remarketing Drawing”). Multiple drawings may be made under the 2006A-2 Letter of Credit, provided that drawings shall not exceed the 2006A-2 Letter of Credit Commitment, as the 2006A-2 Letter of Credit Commitment may be reduced or reinstated pursuant to the 2006A-2 Letter of Credit.

The amount available under the 2006A-2 Letter of Credit for the purpose of paying interest on the Subseries 2006A-2 Bonds (the “Interest Component”) shall be reduced in an amount equal to any draw to pay interest on the Subseries 2006A-2 Bonds. At the close of business on the day on which payment of a drawing is made for the purpose of paying interest on the Subseries 2006A-2 Bonds, the Interest Component shall be automatically reinstated by an amount equal to the amount of such drawing (other than a Remarketing Drawing) for the purpose of paying interest on the Subseries 2006A-2 Bonds.

The amount available under the 2006A-2 Letter of Credit for the purpose of paying principal on the Subseries 2006A-2 Bonds (the “Principal Component”) shall be reduced in an amount equal to any draw to pay principal on (including the principal portion of the purchase price of) the Subseries 2006A-2 Bonds. The 2006A-2 Letter of Credit Bank will reinstate amounts drawn under the 2006A-2 Letter of Credit pursuant to a Remarketing Drawing, as to the Principal Component and the Interest Component, to the extent that money is received by the Series 2006A-2 Letter of Credit Bank (other than from drawings on the 2006A-2 Letter of Credit) from the Trustee reimbursing amounts drawn pertaining to such Remarketing Drawing or upon the Trustee’s certification that the Trustee is holding for the 2006A-2 Letter of Credit Bank’s benefit the Subseries 2006A-2 Bonds together with an amount of money equal to or greater than the amount of the principal portion of the Remarketing Drawing.

No drawing under the 2006A-2 Letter of Credit shall be honored in an amount exceeding the amount available to be drawn under such 2006A-2 Letter of Credit at the time of such drawing, and, pursuant to the Bond Series Certificate, no drawing shall be made in order to pay the principal of or interest when due on, or the Purchase Price of, the Subseries 2006A-2 Bonds owned by the University or pledged by the University or an Affiliate of the University pursuant to the Reimbursement Agreement.

### ***The Reimbursement Agreement***

The Letters of Credit are being issued pursuant to the Reimbursement Agreement, under which the University will be obligated to, among other things, reimburse each of the 2006A-1 Letter of Credit Bank and the 2006A-2 Letter of Credit Bank for, among other things, each drawing under the applicable Letter of Credit.

The Reimbursement Agreement establishes various representations, warranties and covenants of the University and establishes various events of default thereunder. The occurrence of an event on default under the Reimbursement Agreement will allow the Letter of Credit Banks to terminate the Letters of Credit in accordance with their respective terms. Additionally, should the University fail to reimburse either Letter of Credit Bank in accordance with the Reimbursement Agreement, such Letter of Credit Bank shall have the right to declare an event of default and enforce all remedies available to such Letter of Credit Bank thereunder. See “Appendix D - Summary of Certain Provisions of the Reimbursement Agreement.” One such remedy would subject the Reoffered Bonds to mandatory tender at a Purchase Price equal to 100% of the principal amount thereof, plus accrued and unpaid interest thereon to the Purchase Date. See “PART 3 - THE REOFFERED BONDS – Mandatory Tenders for Purchase.”

The terms of the Reimbursement Agreement and certain related documents may be modified, amended or supplemented by the Letter of Credit Banks and the University from time to time without giving notice to or obtaining the consent of the Bondholders. Any amendment, modification or supplement to the Reimbursement Agreement may contain amendments or modifications to the covenants of the University or additional covenants of the University and these amended or modified covenants may be more or less restrictive than those in effect at the date of reoffering of the Reoffered Bonds.

### ***The Substitute Credit Facilities***

The Authority may replace either the 2006A-1 Letter of Credit with a 2006A-1 Substitute Credit Facility for all or a portion of the Subseries 2006A-1 Bonds or the 2006A-2 Letter of Credit with a 2006A-2 Substitute Credit Facility for all or a portion of the Subseries 2006A-2 Bonds upon written notice to the 2006A-2 Letter of Credit Bank, or the University may, at any time, at its option with the prior written consent of the Authority and upon written notice to the applicable Letter of Credit Bank, deliver or cause to be delivered to the Trustee a Substitute Credit Facility provided by the University.

The replacement of the 2006A-1 Letter of Credit with a 2006A-1 Substitute Credit Facility will cause a mandatory tender of the Subseries 2006A-1 Bonds. In no event shall the 2006A-1 Letter of Credit be surrendered to the 2006A-1 Letter of Credit Bank upon delivery of a 2006A-1 Substitute Credit Facility until a drawing to pay the Purchase Price of such Subseries 2006A-1 Bonds tendered for purchase and not remarketed has been honored by the 2006A-1 Letter of Credit Bank and the 2006A-1 Letter of Credit Bank certifies that the University has complied with the requirements of the 2006A-1 Letter of Credit and the Reimbursement Agreement. No such 2006A-1 Substitute Credit Facility shall be or become effective unless it meets the requirements set forth in the Bond Series Certificate.

The replacement of the 2006A-2 Letter of Credit with a 2006A-2 Substitute Credit Facility will cause a mandatory tender of the Subseries 2006A-2 Bonds. In no event shall the 2006A-2 Letter of Credit be surrendered to the 2006A-2 Letter of Credit Bank upon delivery of a 2006A-2 Substitute Credit Facility until a drawing to pay the Purchase Price of such Subseries 2006A-2 Bonds tendered for purchase and not remarketed has been honored by the 2006A-2 Letter of Credit Bank and the 2006A-2 Letter of Credit Bank certifies that the University has complied with the requirements of the 2006A-2 Letter of Credit and the Reimbursement Agreement. No such 2006A-2 Substitute Credit Facility shall be or become effective unless it meets the requirements set forth in the Bond Series Certificate.

### **The Mortgages**

The University’s obligations to the Authority under the Loan Agreement in relation to the Reoffered Bonds are additionally secured by the 2006 Mortgage and security interests in certain fixtures, furnishings and equipment now or hereafter located therein or used in connection therewith. Certain property of the University, other than the property encumbered by the 2006 Mortgage, is subject to the Existing Mortgages granted to the Authority by the University to secure the Prior Bonds. The Existing Mortgages were assigned to the Prior Bond Trustee pursuant to certain assignments of mortgage among the Authority, the Prior Bond Trustee and Radian executed at the time of issuance of the Prior Bonds and the 2006 Mortgage was assigned to the Trustee pursuant to an assignment agreement between the Authority and the Trustee executed at the time of initial issuance of the 2006 Bonds. In connection with the reoffering of the Reoffered Bonds, the Trustee will assign the 2006 Mortgage back to the

Authority and the 2006 Mortgage will be modified by the 2006 Mortgage Modification Agreement and then assigned by the Authority to the Letter of Credit Banks and the Trustee pursuant to the Assignment of Mortgage. Pursuant to the Assignment Agreement, the Authority retains rights to certain fees and indemnification and the right, for a limited period, to direct the remedies for, or waive, certain events of default under the Loan Agreement relating to breaches of certain covenants other than those regarding payment of amounts sufficient to pay principal of and interest on the Reoffered Bonds. In addition, the Authority, the Prior Bond Trustee and the Trustee will enter into the Intercreditor Agreement, which shall be acknowledged and agreed to by the Letter of Credit Banks and Radian providing for the enforcement and administration of remedies and, in certain circumstances, the pro rata distribution of proceeds of foreclosure of the Mortgages. The Mortgages secure the obligations of the University under the Prior Loan Agreement and the Loan Agreement relating to the Reoffered Bonds on an equal and ratable basis. In accordance with the Intercreditor Agreement, property subject to the Mortgages may be released, and such Mortgages may be amended, with the prior written consent of the Authority, Radian and the Letter of Credit Banks but without the consent of the Trustee or the Owners of any Bonds.

### **The Intercreditor Agreement**

The Intercreditor Agreement provides that, until there are no Prior Bonds Outstanding or there are no Reoffered Bonds Outstanding or by mutual agreement of the parties thereto, liens on the property subject to the Existing Mortgages, the 2006 Mortgage and the Pledged Revenues made and given by the University pursuant to the applicable Loan Agreements shall be of equal priority and, upon the occurrence of an Event of Default thereunder, neither the Prior Bond Trustee nor the Trustee shall have a priority of payment over or be subordinate to the other with respect to recovery of any amounts under the Existing Mortgages, the 2006 Mortgage or the Loan Agreements. The Intercreditor Agreement shall be acknowledged and agreed to by Radian and the Letter of Credit Banks. Any party to the Intercreditor Agreement may, without the consent of the other parties thereto, commence an action or proceeding to foreclose a Mortgage whenever, and to the extent such party is permitted to do so under the 1995 Loan Agreement and Prior Resolution, the 2006 Loan Agreement and 2006 Resolution, the Existing Mortgages or the 2006 Mortgage, as applicable.

### **Events of Default and Acceleration**

The following are events of default under the Bond Resolution: (i) a default in the payment of the principal, Sinking Fund Installments or Redemption Price of or interest on any Bond; (ii) the Authority shall take any action, or fail to take any action, which would cause the Bonds to be “arbitrage bonds” within the meaning of the Code, or fail to comply with the provisions of the Code, and as a result thereof interest on the Bonds becomes includable in gross income for federal income tax purposes; (iii) a default by the Authority in the due and punctual performance of any other covenant, condition, agreement or provision contained in the Bonds or in the Bond Resolution which continues for thirty (30) days after written notice thereof is given to the Authority by the Trustee (such notice to be given at the Trustee’s discretion or at the written request of Owners of not less than 25% in principal amount of Outstanding Bonds) or if such default is not capable of being cured within said thirty (30) day period, the Authority fails to commence within said thirty (30) days and diligently prosecute the cure thereof; or (iv) an “Event of Default,” as defined in the Loan Agreement, shall have occurred and is continuing and all sums payable by the University under the Loan Agreement shall have been declared immediately due and payable (unless such declaration shall have been annulled). Unless all sums payable by the University 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 Bond Resolution. Failure to pay the purchase price of Reoffered Bonds tendered for purchase or subject to mandatory purchase shall not constitute an event of default under the Bond Resolution.

The Bond Resolution provides that if an event of default (other than as described in clause (ii) of the preceding paragraph) occurs and continues, the Trustee may, and upon the written request of the Owners of not less than 25% in principal amount of the Outstanding Bonds, shall by written notice to the Authority, declare the principal of and interest on all the Outstanding Bonds to be due and payable immediately. At the expiration of thirty (30) days from the giving of such notice, such principal and interest shall become immediately due and payable. The Trustee may, with the consent of the Owners of not less than 25% in principal amount of the Bonds then Outstanding, annul by written notice to the Authority such declaration and its consequences under the terms and conditions specified in the Bond Resolution with respect to such annulment.

The Owners of not less than 51% in principal amount of the Outstanding Bonds with the consent of the Letter of Credit Banks or, in the case of a default described in subclause (ii) in the first paragraph under this subheading, the Owners of not less than a 51% in principal amount of the Outstanding Bonds of the affected Series with the consent of the applicable Letter of Credit Banks, shall have the right to direct the method and place of conducting all remedial proceedings to be taken by the Trustee.

The Bond Resolution provides that the Trustee shall give notice in accordance with the Bond Resolution of each event of default known to the Trustee, to (i) the Letter of Credit Banks and to the University, within five (5) Business Days, and (ii) to the Owners of the Reoffered Bonds within thirty (30) days after knowledge of the occurrence of an event of default.

### **Issuance of Additional Bonds**

In addition to the Reoffered Bonds, the Bond Resolution authorizes the issuance of other Series of Bonds to finance one or more projects and for other specified purposes, including to refund Outstanding Bonds or other notes or bonds of the Authority issued on behalf of the University. The Bonds which may be issued include Variable Interest Rate Bonds. All Bonds issued under the Bond Resolution would rank on a parity with each other and would be secured equally and ratably with each other except with regard to specific credit or liquidity facilities. See "Appendix C – Summary of Certain Provisions of the Resolution."

### **General**

The Reoffered Bonds will not be a debt of the State nor will the State be liable thereon. The Authority has no taxing power. The Authority has never defaulted in the timely payment of principal or sinking fund installments of or interest on its bonds or notes. See "PART 6 – THE AUTHORITY."

## **PART 3 - THE REOFFERED BONDS**

*Set forth below is a narrative description of certain provisions applicable to the Reoffered Bonds, while they bear interest at the Weekly Rate. These provisions have been summarized and this description does not purport to be complete. Reference should be made to the Resolution, the Series Resolution, the Bond Series Certificate and the Loan Agreement, copies of which are on file with the Authority and the Trustee. See also "Appendix B – Summary of Certain Provisions of the Loan Agreement" and "Appendix C – Summary of Certain Provisions of the Resolution" for a more complete description of certain provisions of the Reoffered Bonds.*

### **Description of the Reoffered Bonds**

The Reoffered Bonds were issued pursuant to the Act and the Resolutions.

The Reoffered Bonds will be reoffered as Variable Interest Rate Bonds in the Weekly Rate Mode. The interest rates on the Subseries 2006A-1 Bonds and the Subseries 2006A-2 Bonds for the Initial Period, commencing on and including the Conversion Date and ending on and including the date specified on the cover page, is to be determined on or about the Business Day immediately preceding the Conversion Date.

After the Initial Period, each succeeding Weekly Rate Period is to be a seven-day period, subject to certain exceptions, unless and until the Reoffered Bonds are converted to a different Rate Mode. Each Weekly Rate Period is to begin on and include Thursday of a calendar week and extend to and include the next succeeding Wednesday. Interest on the Reoffered Bonds will be payable on September 2, 2008 and on each Interest Payment Date thereafter. The Reoffered Bonds will be available in denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof. Interest on the Reoffered Bonds shall be calculated on the basis of a three hundred sixty-five (365) or three hundred sixty-six (366) day year, as applicable, for the actual number of days elapsed to the Interest Payment Date.

The interest rates on the Reoffered Bonds for each Weekly Rate Period after the Initial Period shall be equal to the Weekly Rates set by the Remarketing Agent on each Reset Date. The first Reset Date for the Reoffered Bonds shall occur on August 13, 2008 and each Reset Date thereafter will be on each Wednesday thereafter or, if such day is not a Business Day, the immediately preceding Business Day. Each Weekly Rate so determined by the

Remarketing Agent shall be the rate of interest that, if borne by such Reoffered Bonds for such Weekly Rate Period, in the judgment of the Remarketing Agent, having due regard for the prevailing financial market conditions for bonds or other securities the interest on which is excludable from gross income for federal income tax purposes of the same general nature as the Reoffered Bonds and which are comparable as to credit and maturity or tender dates with the credit and maturity or tender dates of the Reoffered Bonds, would be the lowest interest rate that would enable the Reoffered Bonds to be sold on the first day of the applicable Weekly Rate Period at a price of par, plus accrued interest, if any.

If for any reason (i) the Weekly Rates for a Weekly Rate Period are not established as aforesaid, (ii) no Remarketing Agent shall be serving under the Bond Series Certificate, (iii) the Rate so established is held to be invalid or unenforceable with respect to a Weekly Rate Period or (iv) pursuant to the Remarketing Agreement, the Remarketing Agent is not then required to establish a Weekly Rate, then the Weekly Rate for such Weekly Rate Period shall be the SIFMA Municipal Index on the date such Weekly Rate was to have been determined by the Remarketing Agent. In no event may any interest rate on any Reoffered Bond for any Weekly Rate Period exceed the maximum rate permitted by law or the Maximum Rate (other than Pledged Bonds).

**This Reoffering Circular, in general, describes the Reoffered Bonds only during the Weekly Rate Mode.**

The method for determining the interest rates on all or a portion of the Reoffered Bonds may be converted from time to time to a Daily Rate, a Commercial Paper Rate, a Term Rate, a Fixed Rate or an Auction Rate.

The Reoffered Bonds were issued as fully registered bonds and are registered in the name of Cede & Co., as nominee of DTC, pursuant to DTC's Book-Entry Only System. Purchases of beneficial interests in the Reoffered Bonds will be made in book-entry form, without certificates. If at any time the Book-Entry Only System is discontinued for the Reoffered Bonds, the Reoffered Bonds will be exchangeable for other fully registered Reoffered Bonds in any other authorized denominations of the same maturity without charge except the payment of any tax, fee or other governmental charge to be paid with respect to such exchange, subject to the conditions and restrictions set forth in the Resolution. See "Book-Entry Only System" herein and "Appendix C - Summary of Certain Provisions of the Resolution."

Interest on the Reoffered Bonds is to be payable by check mailed to the registered owners thereof. The principal or redemption price of the Reoffered Bonds is to be payable in lawful money of the United States of America at the principal corporate trust office of Manufacturers and Traders Trust Company, Buffalo, New York, the Trustee and Paying Agent. As long as the Reoffered Bonds are registered in the name of Cede & Co., as nominee of DTC, such payments will be made directly to DTC. See "Book-Entry Only System" herein.

For a more complete description of the Reoffered Bonds, see "Appendix C - Summary of Certain Provisions of the Resolution."

**Conversion to Other Rate Modes**

The Authority, at the direction of the University, may, by written direction to the Remarketing Agent, the Trustee, the Tender Agent, the Letter of Credit Banks, and each Rating Service maintaining a rating on the Reoffered Bonds, elect that all or a portion of the Reoffered Bonds be converted from the Weekly Rate Mode to a to any other authorized mode. At the time of a conversion from the Weekly Rate Mode to a different Rate Mode, the Reoffered Bonds to be converted are subject to mandatory tender for purchase at the Purchase Price as described herein. See "Appendix C – Summary of Certain Provisions of the Resolution."

The Bond Series Certificate provides that no conversion of a Rate Mode is to occur thereunder unless (i) on the Conversion Date no event of default under the Bond Resolution has occurred and is continuing, (ii) the Authority receives an opinion from Bond Counsel with respect to the proposed conversion, and (iii) such other requirements as are set forth in the Bond Series Certificate including, but not limited to, the consent of the Letter of Credit Banks.

In the event the requirements described in the preceding sentence are not met, or the Remarketing Agent notifies the Trustee, the Authority, the University and the Bank, that the Reoffered Bonds to be converted cannot be remarketed, or the Authority notifies the Remarketing Agent, the Bank and the Trustee in writing that it does not

want the Reoffered Bonds to be converted to a new Rate Mode, the succeeding Rate Mode shall be the Weekly Rate Mode and the Rate thereon shall be calculated without regard to the proposed conversion.

**Failure of Conversion.** In the event any condition precedent to a conversion is not fulfilled, any affected Reoffered Bond shall continue to be subject to any mandatory tender otherwise required by the Bond Series Certificate without regard to the failure to fulfill such condition, and thereafter shall accrue interest at Weekly Rates for Weekly Rate Periods. In the event the Remarketing Agent fails for any reason to determine such Weekly Rate, the applicable Weekly Rate shall be the rate determined on the basis of an index based upon the weekly interest rate resets of tax-exempt variable rate issues included in a database maintained by Municipal Market Data which meet specific criteria established by the Public Securities Association and effective for the date on which such rate is determined (or if such rate is not available, any other similar rate as is determined by the Trustee in its sole discretion to be appropriate).

## Redemption

The Reoffered Bonds are subject to redemption prior to maturity as follows:

**Optional Redemption.** Reoffered Bonds which accrue interest at Weekly Rates are subject to optional redemption prior to maturity, at the option of the Authority which shall be exercised upon the written direction of the University, in whole, or in part in an amount evenly divisible by minimum Authorized Denominations, on any date, at a redemption price equal to 100% of the principal amount redeemed, plus interest accrued to the redemption date.

**Sinking Fund Redemption.** The Subseries 2006A-1 Bonds are subject to sinking fund redemption prior to maturity through application of Sinking Fund Installments at 100% of the principal amount thereof, plus accrued interest to the redemption date, but without premium, on September 1 of each year and in the respective principal amount set forth below:

### Subseries 2006A-1 Term Bonds Due September 1, 2026

<u>September 1</u>	<u>Principal Amount</u>	<u>September 1</u>	<u>Principal Amount</u>
2008	\$305,000	2018	\$435,000
2009	315,000	2019	445,000
2010	325,000	2020	465,000
2011	335,000	2021	480,000
2012	350,000	2022	500,000
2013	365,000	2023	515,000
2014	375,000	2024	535,000
2015	385,000	2025	550,000
2016	405,000	2026†	575,000
2017	415,000		

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† Final Maturity.

**Subseries 2006A-1 Term Bonds Due September 1, 2036**

<u>September 1</u>	<u>Principal Amount</u>
2024	\$ 135,000
2025	140,000
2026	145,000
2027	750,000
2028	775,000
2029	2,585,000
2030	2,685,000
2031	2,780,000
2032	2,890,000
2033	3,550,000
2034	3,690,000
2035	3,825,000
2036†	3,980,000

† Final Maturity.

The Subseries 2006A-2 Bonds are subject to sinking fund redemption prior to maturity through application of Sinking Fund Installments at 100% of the principal amount thereof, plus accrued interest to the redemption date, but without premium, on September 1 of each year and in the respective principal amount set forth below:

**Subseries 2006A-2 Term Bonds Due September 1, 2026**

<u>September 1</u>	<u>Principal Amount</u>	<u>September 1</u>	<u>Principal Amount</u>
2008	\$305,000	2018	\$430,000
2009	310,000	2019	450,000
2010	325,000	2020	465,000
2011	340,000	2021	485,000
2012	345,000	2022	500,000
2013	360,000	2023	515,000
2014	375,000	2024	535,000
2015	390,000	2025	555,000
2016	400,000	2026†	575,000
2017	420,000		

† Final Maturity.

**Subseries 2006A-2 Term Bonds Due September 1, 2036**

<u>September 1</u>	<u>Principal Amount</u>
2024	\$ 130,000
2025	140,000
2026	140,000
2027	745,000
2028	775,000
2029	2,590,000
2030	2,685,000
2031	2,785,000
2032	2,895,000
2033	3,555,000
2034	3,685,000
2035	3,830,000
2036†	3,975,000

† Final Maturity.

## **Special Redemption**

The Reoffered Bonds are subject to special redemption prior to the maturity with notice to the Letter of Credit Banks, if any, in whole or in part on any date, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the redemption date, from proceeds of a condemnation or insurance award received by the Trustee or a payment by the University in connection with a change in use described in (iii) below, in the event that (i) there is damage or destruction to the Project and the University elects not to restore such Project; (ii) there is condemnation of such Project with damage resulting from such condemnation, which in the opinion of the University, concurred in by the Trustee and the Letter of Credit Banks, renders such Project unusable or substantially impairs the usage of such Project, and the University elects not to restore such Project; or (iii) there is a determination of a change in use with respect to certain facilities of the Southampton campus previously owned by the University as described in a certain Tax Use Agreement by and between the State University of New York and the Authority.

## **Notice of Redemption; Effect of Redemption**

Whenever Bonds are to be redeemed, the Trustee shall give notice of the redemption of the applicable sub-series of such Bonds in the name of the Authority which notice may provide if the Authority's obligation to redeem such sub-series of Bonds is subject to one or more conditions, a statement to that effect that describes the conditions to such redemption. Such notice shall be given by mailing a copy of such notice not less than fifteen (15) days nor more than sixty (60) days prior to the redemption date.

On the stated redemption 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.

Any notice of redemption may state that the redemption to be effected is conditioned upon the receipt by the Trustee on or prior to the redemption date of moneys sufficient to pay the principal of, premium, if any, and interest on such Bonds to be redeemed and that if such moneys are not so received such notice shall be of no force or effect and such Bonds shall not be required to be redeemed. In the event that such notice contains such a condition and moneys sufficient to pay the principal of, premium, if any, and interest on such Bonds are not received by the Trustee on or prior to the redemption date, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

## **Optional Tenders for Purchase**

The Reoffered Bonds may be tendered for purchase, at the option of the Owners thereof, at a purchase price equal to 100% of the principal amount of such Reoffered Bonds (or portions thereof in Authorized Denominations) plus accrued interest, if any, to the purchase date in accordance with the following terms and conditions.

***Optional Purchase Dates.*** The Owners of Reoffered Bonds (except Bank Bonds and Borrower Bonds) accruing interest at Weekly Rates may elect to have their Reoffered Bonds (or portions thereof in minimum Authorized Denominations) purchased at the purchase price payable in immediately available funds on any Business Day by the giving or delivering to the Remarketing Agent and the Tender Agent at their respective principal offices a notice of tender not later than 10:00 A.M., New York City Time, on the purchase date.

***Bondowner Notice of Optional Tender.*** Each notice of tender:

(a) shall be delivered to the Remarketing Agent and the Tender Agent at their respective notice addresses (as provided in the 2006 Bond Series Certificate) and be in form satisfactory to the Tender Agent;

(b) shall state (1) the aggregate principal amount in an Authorized Denomination of each Reoffered Bond, and (2) that such principal amount of the Reoffered Bond (in an Authorized Denomination) shall be purchased on such Optional Tender Date; and

(c) shall be irrevocable.

Notwithstanding the foregoing, if the Reoffered Bonds are held in a Book-Entry System, the right to optionally tender Reoffered Bonds accruing interest at Daily Rates may be exercised by a Beneficial Owner. Such right shall be exercised by delivery by the Beneficial Owner to the Remarketing Agent and the Tender Agent no later than the times specified under the heading “*Optional Purchase Dates*” of the notice described under this heading stating that such beneficial owner will cause its beneficial interest (or portion thereof in an Authorized Denomination) to be tendered, the amount of such interest to be tendered, the date on which such interest will be tendered and the identity of the Participant through which the beneficial owner maintains its interest. Upon delivery of such notice, the beneficial owner must make arrangements to have its beneficial ownership interest in the Reoffered Bonds being tendered transferred to the Tender Agent at or prior to 1:00 P.M. New York City Time, on the purchase date.

### **Mandatory Tenders for Purchase**

The Reoffered Bonds are subject to mandatory tender for purchase at a purchase price equal to 100% of the principal amount of such Reoffered Bonds, plus accrued interest, if any, as follows:

***Mandatory Tender.*** Each Subseries of the Reoffered Bonds will be subject to mandatory tender and purchase (i) on the date such Reoffered Bonds are to be converted to a different Rate Mode; (ii) on any Business Day that is not less than three (3) Business Days prior to the Termination Date for a Letter of Credit, and the Purchase Price of such tendered Reoffered Bonds shall be paid with money drawn under such Letter of Credit prior to its Termination Date; (iii) on the effective date of a substitute Letter of Credit delivered pursuant to the Bond Series Certificate (or if such day is not a Business Day, on the immediately preceding Business Day); **provided, however,** that the Purchase Price in connection with which a substitute Letter of Credit is being delivered shall be paid with money drawn under the then existing Liquidity Facility; (iv) on a Business Day that is not less than one Business Day prior to the Termination Date specified in a Default Notice for a Letter of Credit delivered by the applicable Letter of Credit Bank or its agent in accordance with the provisions of such Letter of Credit or the Reimbursement Agreement, and the Purchase Price of such tendered Reoffered Bonds shall be paid by money drawn under such Letter of Credit prior to such Termination Date; and (v) on the date specified in a notice delivered by a Letter of Credit Bank to the Trustee, the Remarketing Agent and the Authority stating that:

(A) an Event of Default has occurred under the Reimbursement Agreement or there has not been a reinstatement of a draw on the Letter of Credit, as applicable, with respect to the related Subseries of the Reoffered Bonds (other than a draw relating to a permanent reduction of the Stated Amount of the Letter of Credit),

(B) a Letter of Credit Bank has elected to require a mandatory tender of the related Subseries of the Reoffered Bonds as provided in the Reimbursement Agreement, and

(C) the Mandatory Tender will occur on a date set forth in the notice, but in any event a date which may not be less than two, or more than five Business Days after the receipt by the Trustee of such notice of non-reinstatement of interest.

***Notices of Mandatory Tender.*** Whenever the Reoffered Bonds are converted to a different Rate Mode and are tendered, the Tender Agent shall, by first class mail to the Trustee and the University not later than one day before the Conversion Date, give evidence from the Rating Agency that such conversion will not result in a reduction or withdrawal of the then current ratings or the Reoffered Bonds. Whenever Reoffered Bonds are to be tendered for purchases in accordance with clause (ii) above, Tender Agent shall, not less than twenty (20) days prior to the Tender Date, give notice by first-class mail to the Letter of Credit Banks, the Authority and the Bondowners of the Reoffered Bonds to be tendered that such Reoffered Bonds are subject to mandatory tender for purchase on the Tender Date specified in such notice. Whenever Reoffered Bonds are to be tendered for purchase upon the initial delivery of a substitute Letter of Credit or the termination of a Letter of Credit in accordance with clauses (iii), (iv) and (v) above, the Tender Agent shall, not less than five (5) days prior to the effective date of the expiration or earlier termination of the Letter of Credit then in effect or of the effective date of the substitute Letter of Credit or prior to the date specified in the No Remarketing Notice, give notice by first-class mail to the Bondowners of the

Reoffered Bonds that the Reoffered Bonds are subject to mandatory tender for purchase on the date specified in such notice.

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

***Purchase of Tendered Bonds.*** On each Tender Date the Tendered Bonds shall be purchased at the Purchase Price paid by the Tender Agent from and in following order of priority: the proceeds of remarketing of the Tendered Bonds; amounts drawn on the applicable Letter of Credit or certain other available moneys, if any, under the Resolutions. No Tendered Bond so purchased with moneys made available by the applicable Letter of Credit Bank shall cease to be Outstanding solely by reason of the purchase thereof.

***Remarketing of Reoffered Bonds.*** Upon receipt of any notice given pursuant to the Resolutions that any Reoffered Bonds will be or are required to be tendered for purchase, the Remarketing Agent shall use its best efforts to remarket such Tendered Bond on its Tender Date at a price equal to the Purchase Price.

Notwithstanding any other provision of the Resolutions to the contrary, so long as any Reoffered Bond is registered in the name of Cede & Co, as nominee of DTC, all payments with respect to principal, redemption price or Purchase Price of, and interest on, all deliveries to be made and all notices to be delivered with respect to such Reoffered Bond shall be made and given pursuant to DTC's rules and procedures then in effect.

***Limitations on Remarketings.*** Remarketing of the Reoffered Bonds is subject to the following limitations:

(i) The Remarketing Agent shall not, during any period during which the Letters of Credit are in effect, remarket Tendered Bonds if:

(A) upon such remarketing the amount available to be drawn under the applicable Letter of Credit for the payment of the principal or Purchase Price of the Outstanding Reoffered Bonds is less than the principal of such Reoffered Bonds that are not Pledged Bonds, or the amount available to be drawn under such Letter of Credit for payment of the interest on such Outstanding Reoffered Bonds, is less than the minimum amount required to be available under the applicable Credit Facilities in accordance with the Bond Series Certificate;

(B) the applicable Letter of Credit will expire or terminate within 20 days after the Tender Date of the Tendered Bonds, unless and until the Letter of Credit has been extended or a Substitute Credit Facility has been delivered to the Tender Agent (provided that the Remarketing Agent may remarket Tendered Bonds to be converted to a Fixed Rate where the Letter of Credit will expire or terminate within 20 days after the Tender Date for such Tendered Bonds); or

(C) the Tendered Bonds were tendered pursuant to a mandatory tender required by the applicable Letter of Credit Bank following an Event of Default under the Reimbursement Agreement.

(ii) No Tendered Bonds shall be remarketed by the Remarketing Agent for purchase by the Authority or the University, unless there has been delivered to the Trustee an opinion of Bond Counsel to the effect that payment of the Purchase Price of Tendered Bonds from moneys paid by or on behalf of the Authority or the University for the purchase of such Tendered Bonds will not constitute a voidable preference under Section 547 of the United States Bankruptcy Code in a proceeding commenced by or against the Authority or the University thereunder.

(iii) The Remarketing Agent is required to use its best efforts to remarket the tendered Reoffered Bonds for which it serves as Remarketing Agent. However, the Remarketing Agent is not required to remarket any tendered Reoffered Bonds under certain circumstances, including if the Remarketing Agent has actual knowledge that an event of default with respect to the Reoffered Bonds has occurred and is continuing under the Resolution or the Loan Agreement. In addition, the Remarketing Agreement provides that the Remarketing Agent is not required to remarket any tendered Reoffered Bonds if (a) the Remarketing Agent determines that any applicable disclosure document or continuing disclosure undertaking required in connection with the remarketing of the Reoffered Bonds is either unavailable or not adequate or (b) the Remarketing Agent has received an opinion of Bond Counsel that the exclusion from gross income of interest on the Reoffered Bonds for federal income tax purposes, or the exemption from registration under the securities Act of 1993, or the exemption from qualification of the Resolutions Act of 1939 can be challenged. In addition, the Authority, with the consent of the University so long as no event of default has occurred and is continuing under the Loan Agreement, or the University, with the consent of the Authority, may direct the Remarketing Agent to discontinue or suspend the remarketing of the Reoffered Bonds.

### **Medium and Place of Payment**

Payments of interest due on the Reoffered Bonds shall be made by the Trustee by mailing a check in the amount due for such interest on each Interest Payment Date to the registered owner of each Reoffered Bond on the Record Date immediately preceding such Interest Payment Date, to such registered owner's address as it appears on the registry books of the Authority, or, at the request of a registered owner, by wire transfer to such registered owner at the wire transfer address in the continental United States to which such registered owner has not later than the Record Date immediately preceding such Interest Payment Date directed the Trustee to wire such interest payment; provided, however, anything elsewhere in the Resolutions to the contrary notwithstanding, that interest in respect of all Reoffered Bonds registered in the name of DTC or a successor securities repository (or the nominee of DTC or such successor) shall be paid by wire transfer at the wire transfer address therefor.

The Reoffered Bonds when issued will be registered in the name of Cede & Co., as bondowner and nominee of DTC. So long as DTC, or its nominee, Cede & Co., is the registered owner of all Reoffered Bonds, all payments on the Reoffered Bonds will be made directly to DTC and disbursement of such payments to the DTC Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners of the Reoffered Bonds will be the responsibility of the DTC Participants and Indirect Participants as more fully described in "Book-Entry Only System".

### **Transfer and Exchange of Reoffered Bonds**

Reoffered Bonds, upon surrender thereof at the principal corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or such owner's attorney duly authorized in writing, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Reoffered Bonds of the same series, maturity and tenor of any other authorized denominations.

All Reoffered Bonds issued hereunder shall be negotiable as provided in the Act, subject to the provisions for registration and transfer contained herein and in the Reoffered Bonds. So long as any of the Reoffered Bonds shall not have matured or been called for redemption, the Authority shall maintain and keep, or cause to be maintained and kept, at the designated office of the Trustee, books for the registration and transfer of Reoffered Bonds; and, upon presentation thereof for such purpose at said office, the Authority shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as it or the Trustee may prescribe, any Reoffered Bond entitled to registration or transfer. So long as any of the Reoffered Bonds have not matured or been called for redemption, the Authority shall make all necessary provisions to permit the exchange of Reoffered Bonds at the principal corporate trust office of the Trustee.

Each Reoffered Bond shall be transferable only upon the books of the Authority, which shall be kept for that purpose at the principal corporate trust office of the Trustee, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or such owner's duly authorized attorney and the payment of a charge sufficient to reimburse the Authority or the Trustee for any tax, fee or other governmental charge required to be paid with respect to such transfer. Upon the transfer of any such Reoffered Bond, the Authority shall cause to be

issued in the name of the transferee a new Reoffered Bond or Reoffered Bonds of the same aggregate principal amount, series, maturity and tenor as the surrendered Reoffered Bonds.

The Authority and the Trustee may deem and treat the person in whose name any Outstanding Reoffered Bond shall be registered upon the books of the Authority as the absolute owner of such Reoffered Bond, whether such Reoffered Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price of and interest on such Reoffered Bond and for all other purposes whatsoever, and all such payments so made to any such registered owner or upon such owner's order shall be valid and effectual to satisfy and discharge the liability upon such Reoffered Bond to the extent of the sum or sums paid, and neither the Authority nor the Trustee shall be affected by any notice to the contrary.

For a more complete description of the redemption and other provisions relating to the Reoffered Bonds, see “Appendix C – 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 Reoffered Bonds. The Reoffered 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 Reoffered Bond certificate will be issued for each maturity of the Reoffered Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, FICC, 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. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Reoffered Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Reoffered Bonds on DTC’s records. The ownership interest of each actual purchaser of each Reoffered Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Reoffered Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Reoffered Bonds, except in the event that use of the book-entry system for the Reoffered Bonds is discontinued.

To facilitate subsequent transfers, all Reoffered Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Reoffered Bonds with DTC and their registration in the name of

Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Reoffered Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Reoffered Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

Redemption notices shall be sent to DTC. If less than all of the Reoffered 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 Reoffered 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 Reoffered Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, redemption premium, if any, and interest payments on the Reoffered Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon 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 Reoffered Bonds purchased or tendered, through its Participant, to the Tender Agent, and shall effect delivery of such Reoffered Bonds by causing the Direct Participant to transfer the Participant's interest in the Reoffered Bonds, on DTC's records, to the Tender Agent. The requirement for physical delivery of Reoffered Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Reoffered Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Reoffered Bonds to the Tender Agent's DTC account.

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

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

DTC may discontinue providing its service as depository with respect to the Reoffered Bonds at any time by giving reasonable notice to the Authority and the Trustee, or the Authority may terminate its participation in the system of book-entry transfer through DTC at any time by giving notice to DTC. In either event, the Authority may retain another securities depository for the Reoffered Bonds or may direct the Trustee to deliver bond certificates in accordance with instructions from DTC or its successor. If the Authority directs the Trustee to deliver such bond certificates, such Reoffered Bonds may thereafter be exchanged for an equal aggregate principal amount of Reoffered 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.

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

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

So long as Cede & Co. is the registered owner of the Reoffered Bonds, as nominee for DTC, references herein to the Bondowners or registered owners of the Reoffered 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 Reoffered Bonds.

### Principal and Interest Requirements

The following table sets forth the amounts required to be paid by the University during each twelve month period ending August 31 of the Bond Years shown for the payment of debt service on the currently Outstanding Bonds, the principal of and interest on the Reoffered Bonds, debt service on other outstanding indebtedness of the University and the total debt service on all indebtedness of the University, including the Reoffered Bonds.

12 Month Period Ending <u>August 31</u>	Debt Service on Prior Outstanding Bonds	Reoffered Bonds*		Total Debt Service on Outstanding Bonds	Debt Service on Other University Indebtedness	Total Debt Service
		Subseries <u>2006A-1 Bonds</u>	Subseries <u>2006A-2 Bonds</u>			
2008	\$5,885,376	\$ 414,260	\$ 414,275	\$6,713,912	\$1,356,418	\$ 8,070,330
2009	5,718,329	1,566,319	1,561,490	8,846,138	1,311,772	10,157,910
2010	5,730,684	1,566,029	1,566,370	8,863,083	1,168,129	10,031,212
2011	5,740,234	1,564,953	1,570,294	8,875,481	96,194	8,971,675
2012	5,755,415	1,568,982	1,564,152	8,888,549	93,363	8,981,912
2013	5,775,848	1,571,163	1,566,504	8,913,515	90,531	9,004,046
2014	5,798,663	1,569,169	1,569,681	8,937,512	47,700	8,985,212
2015	5,807,938	1,566,389	1,571,901	8,946,227	46,350	8,992,577
2016	5,837,138	1,573,714	1,569,055	8,979,906		8,979,906
2017	5,863,238	1,569,021	1,574,532	9,006,790		9,006,790
2018	5,892,531	1,575,323	1,570,664	9,038,518		9,038,518

2019	5,916,419	1,570,498	1,576,009	9,062,926	9,062,926
2020	5,954,625	1,575,778	1,576,119	9,106,522	9,106,522
2021	5,975,856	1,574,040	1,579,381	9,129,277	9,129,277
2022	6,023,256	1,578,127	1,578,297	9,179,681	9,179,681
2023	6,057,288	1,576,087	1,576,257	9,209,632	9,209,632
2024	4,527,963	1,713,981	1,709,151	7,951,095	7,951,095
2025	4,528,050	1,710,596	1,715,924	7,954,569	7,954,569
2026	4,529,038	1,717,869	1,713,027	7,959,933	7,959,933
2027	4,520,413	1,723,691	1,719,007	7,963,110	7,963,110
2028	4,527,163	1,725,402	1,725,877	7,978,442	7,978,442
2029	1,088,000	3,510,112	3,515,585	8,113,697	8,113,697
2030	1,088,250	3,519,797	3,520,113	8,128,160	8,128,160
2031	1,091,250	3,520,516	3,525,832	8,137,597	8,137,597
2032	1,086,750	3,533,069	3,538,227	8,158,047	8,158,047
2033	-	4,090,971	4,095,971	8,186,943	8,186,943
2034	-	4,103,634	4,098,476	8,202,110	8,202,110
2035	-	4,105,957	4,110,957	8,216,913	8,216,913
2036	-	4,123,357	4,118,199	8,241,556	8,241,556

\* Interest on the Reoffered Bonds is calculated on the basis of the 3.408% and 3.995% fixed rates of interest to be paid by the University under certain interest rate exchange agreements.

## **PART 4 - THE LETTER OF CREDIT BANKS**

### **ALLIED IRISH BANKS, P.L.C.**

THIS SECTION REPRESENTS ONLY A SUMMARY OF THE INFORMATION REFERRED TO HEREIN. EXCEPT TO THE LIMITED EXTENT DESCRIBED HEREIN, THIS DOCUMENT DOES NOT ATTEMPT TO DESCRIBE THE BUSINESS OR ANALYZE THE CONDITION, FINANCIAL OR OTHERWISE, OF ALLIED IRISH BANKS, P.L.C. (THE “2006A-1 LETTER OF CREDIT BANK”) OR OTHERWISE DESCRIBE ANY RISKS ASSOCIATED WITH THE 2006A-1 LETTER OF CREDIT BANK. EACH BONDHOLDER MUST RELY ON THAT HOLDER’S OWN KNOWLEDGE, INVESTIGATION AND EXAMINATION OF THE 2006A-1 LETTER OF CREDIT BANK AND THE 2006A-1 LETTER OF CREDIT BANK’S CREDITWORTHINESS.

The following information concerning Allied Irish Banks, p.l.c. (the “2006A-1 Letter of Credit Bank”) has not been independently certified or verified by the Authority, the University or the Remarketing Agent.

The 2006A-1 Letter of Credit Bank reports its financial information on a consolidated basis, which includes the 2006A-1 Letter of Credit Bank and certain affiliates and subsidiaries (“AIB Group”). AIB Group provides a diverse and comprehensive range of banking, financial and related services principally in Ireland, Britain, Poland and the United States. AIB Group is currently organized into four (4) divisions: Republic of Ireland; Great Britain & Northern Ireland; Poland; and Capital Markets (which includes AIB’s New York Branch). The 2006A-1 Letter of Credit Bank is the largest banking corporation organized under the laws of Ireland. As of December 31, 2007, the 2006A-1 Letter of Credit Bank’s total assets were EUR178 billion. Profit before taxation from continuing operations for the year ending December 31, 2007 amounted to EUR 2,508 million. Profit attributable to equity holders of the parent was EUR 1,949 million. Return on average ordinary shareholders’ equity was 21.8% and return on average total assets was 1.21%.

The 2006A-1 Letter of Credit Bank’s New York Branch files quarterly reports on Form FFIEC-002 (“Call Reports”) with the Federal Reserve Bank of New York, 33 Liberty Street, New York, NY 10001 and with the New York State Banking Department at 1 State Street, New York, NY 10004. The Call Reports are publicly available.

The 2006A-1 Letter of Credit Bank is an Irish registered public limited company and its ordinary shares are quoted on the Dublin and London stock exchanges. The Group's ordinary shares (symbol AIB) and non-cumulative preference shares (symbol AIBPr) are traded in the USA on the New York Stock Exchange in the form of American Depositary Shares ("ADS") and each ADS is evidenced by an American Depositary Receipt ("ADR"). The 2006A-1 Letter of Credit Bank, as a foreign private issuer of securities in the United States, is required to file an annual report on Form 20-F with the U.S. Securities and Exchange Commission ("SEC") pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act") within 6 months after the end of each fiscal year. Moreover, a foreign issuer, unlike domestic companies, is required to submit to the SEC under the Exchange Act on Form 6-K, only those interim reports and other materials that the issuer prepares in accordance with home country or home market requirements or delivers to its security holders. Exchange Act documents filed by the 2006A-1 Letter of Credit Bank are publicly available at the public reference facilities maintained by the SEC at 100 F Street, NE, Washington, D.C. 20549 and at its regional office at 3 World Financial Center, Suite 400, New York, NY 10281-1022. Copies of documents filed by the 2006A-1 Letter of Credit Bank with the SEC may also be accessed electronically by means of the SEC's home page on the Internet at "<http://www.sec.gov>".

Any of the documents referred to herein (other than exhibits to such documents) are available upon request, without charge, by writing to the Office of Investor Relations, Allied Irish Banks, p.l.c., Bankcentre, Ballsbridge, Dublin 4, Ireland. Additional information about the 2006A-1 Letter of Credit Bank, including a copy of AIB Group's Annual Report and Form 20-F, is presently available on the Internet at "<http://www.aibgroup.com>".

Note: The exchange rate as at 12/31/07 - EUR1 = \$1.4721

Except as set forth herein, neither the 2006A-1 Letter of Credit Bank nor its affiliates make any representations as to the contents of this Reoffering Circular, the suitability of the security instruments for any investor, the feasibility or performance of any project or compliance with any securities or tax laws and regulations.

#### **RBS CITIZENS, N.A.**

The following information concerning RBS Citizens, N.A. (the "2006A-2 Letter of Credit Bank") has been provided by representatives of the 2006A-2 Letter of Credit Bank and has not been independently certified or verified by the Authority, the University or the Remarketing Agent.

The 2006A-2 Letter of Credit Bank is a national banking association with its main office in Providence, Rhode Island. Except for directors' qualifying shares, the 2006A-2 Letter of Credit Bank is a wholly-owned subsidiary of Citizens Financial Group, Inc. (Citizens). Citizens is also the parent holding company for Citizens Bank of Pennsylvania and numerous other non-bank entities, and is owned by The Royal Bank of Scotland Group plc (RBS). RBS acquired Citizens in 1988.

The 2006A-2 Letter of Credit Bank was chartered in May 2005 under the name "Citizens Bank, National Association". The 2006A-2 Letter of Credit Bank's name changed from "Citizens Bank, National Association" to "RBS Citizens, N.A." in connection with the mergers of each of the following Citizens subsidiaries — Charter One Bank, National Association, RBS National Bank, Citizens Bank of Massachusetts, Citizens Bank of Connecticut, Citizens Bank New Hampshire, Citizens Bank of Rhode Island, Citizens Bank (Delaware), and CCO Mortgage Corp. — with and into Citizens Bank, National Association. Citizens Bank, National Association survived these mergers under its charter and with the new title of RBS Citizens, N.A. These mergers (as well as the name change) were effective as of September 1, 2007.

The 2006A-2 Letter of Credit Bank offers a wide range of retail and commercial banking services. Its loan portfolio is divided between commercial loans, including leases and commercial real estate loans, and consumer loans, including residential real estate mortgage loans. The 2006A-2 Letter of Credit Bank does business through its divisions, including Citizens Bank, Charter One, CCO Mortgage and RBS Card Services.

The 2006A-2 Letter of Credit Bank is subject to supervision and examination by the Office of the Comptroller of the Currency. It is also subject to requirements and restrictions under federal and state law, including requirements to maintain reserves against deposits, restrictions on the types and amounts of loans that may be granted and the interest that may be charged thereon, and limitations on the types of investments that may be made and the types of services that may be offered. Various consumer laws and regulations also affect the 2006A-2 Letter of Credit Bank's operations.

The Letter of Credit is an obligation of the 2006A-2 Letter of Credit Bank, and is not an obligation of Citizens, RBS or any of their other subsidiaries or affiliates.

Citizens is a Providence-based commercial bank holding company. As of March 31, 2008, Citizens had \$161.8 billion in assets, total equity capital of \$22.1 billion, total deposits of \$97.4 billion, total loans and leases before allowance for loan losses of \$111.0 billion (\$109.8 billion net of allowance) and 22,441 full time equivalent employees.

Based on the annual Summary of Deposits report for June 30, 2007, the Bank had 1,262 branches. As of March 31, 2008 the Bank had total assets of \$130.8 billion, total deposits of \$74.0 billion, total loans and leases before allowance for loan losses of \$91.7 billion (\$90.7 billion net of allowance), and total equity capital of \$17.6 billion.

The foregoing summary information is provided for convenience purposes only. Important additional information with respect to Citizens and the 2006A-2 Letter of Credit Bank is contained in the publicly available portions of the 2006A-2 Letter of Credit Bank's Consolidated Reports of Condition and Income for a Bank with Domestic and Foreign Offices - FFIEC 031, as submitted to the Federal Deposit Insurance Corporation.

Except as set forth herein, neither the 2006A-2 Letter of Credit Bank nor its affiliates make any representations as to the contents of this Reoffering Circular, the suitability of the security instruments for any investor, the feasibility or performance of any project or compliance with any securities or tax laws and regulations.

## **PART 5 - THE UNIVERSITY**

### **History**

Founded in 1926, Long Island University (the "University") is a private, multi-campus institution of higher learning in the United States. With undergraduate and graduate enrollment totaling more than 18,000 students (approximately 16,000 full-time equivalent students) plus an additional 6,000 non-credit bearing students, and with approximately 650 full-time faculty, the University conducts its programs on six campuses and at a number of other sites throughout the New York City metropolitan area. Two of Long Island University's campuses are residential: the Brooklyn Campus (founded in 1926) in downtown Brooklyn, New York, which also contains the Arnold and Marie Schwartz College of Pharmacy and Health Sciences which began operations as a separate entity in 1886, and the C.W. Post Campus in Brookville, Nassau County, New York (founded in 1954). The remaining four are non-residential: the Brentwood Campus in Brentwood, Suffolk County, New York (founded in 1971); the Westchester Campus in Westchester County, New York (founded in 1975); the Rockland Campus in Orangeburg, Rockland County, New York (founded in 1980), and which operates on the State University of New York campus in Purchase, New York (SUNY Purchase); and the Riverhead Campus in Riverhead, Suffolk County, New York (founded in 2006). There are also a number of educational and cultural programs of the University that are conducted within the colleges, schools, divisions and departments operated on one or more campuses or extensions of the University. The University's Global College Program operates throughout the world in places such as Costa Rica, India, China and Japan.

The University, although primarily a teaching institution, is also a research institution and a cultural resource for the City of New York, Long Island and the New York metropolitan area. A non-sectarian university of access, Long Island University is committed to providing affordable education through cooperative education programs and financial aid.

### **Accreditations and Memberships**

The University is accredited by the Middle States Association of Colleges and Schools. All 590 programs at the University that lead to the associate, baccalaureate, masters, doctorate, certificate or advanced certificate are fully registered with the New York State Education Department. Following its reaccreditation review in Fall 2002, the Middle States Association of Colleges and Schools reaffirmed the University's accreditation for a period of ten (10) years.

Twenty-one specialized programs of the University are accredited by their respective accrediting groups: Accreditation Council for Pharmacy Education; Accreditation Review Commission on Education for the Physician Assistant, Inc.; American Art Therapy Association; American Dietetic Association, Commission on Accreditation/Approval for Dietetics Education; American Library Association, Committee on Accreditation; American Occupational Therapy Association, Accreditation Council for Occupational Therapy Education; American Physical Therapy Association, Commission on Accreditation in Physical Therapy Education; American Psychological Association, Committee on Accreditation; American Speech-Language-Hearing Association, Council on Academic Accreditation; Association to Advance Collegiate Schools of Business; Commission on Accreditation of Allied Health Education Programs; American Health Information Management Association, Commission on Accreditation of Health Informatics and Information Management Education; Committee on Accreditation for Respiratory Care; Commission on Collegiate Nursing Education; Council on Social Work Education; Council for the Accreditation of Counseling and Related Educational Programs; Joint Review Committee on Educational Programs in Athletic Training; Joint Review Committee on Education in Radiologic Technology; National Accrediting Agency for Clinical Laboratory Sciences; National Association of Schools of Public Affairs and Administration; and Teacher Education Accreditation Council.

## **Governance**

The University is a not-for-profit corporation organized under the Education Law of the State of New York (the “Education Law”). In accordance with the Charter of the University (the “Charter”), the Statutes of the University (the “Statutes”) and the Education Law, the Board of Trustees of the University (the “Board”) is the paramount governing body of the University and presently consists of 41 members. The primary duty of the Board is to ensure that all aspects of the University’s functions are carried out in accordance with the Charter, the Statutes, applicable external laws and regulations, and the academic mandates of private and governmental accrediting bodies and agencies. Further, the Charter, the Statutes and the Education Law reserve to the Board certain policy-making and governance functions which include, but are not limited to, the right to appoint the President of the University, to elect trustees and officers of the University upon the recommendation of the President of the University, to make lifetime tenure commitments to qualified members of the faculty, to approve the annual operating budget, to approve capital plans, to approve major borrowing or the incurrence of indebtedness and to approve the purchase, sale or encumbrance of real property.

The Statutes vest the authority and responsibility for the management of ordinary academic and business affairs of the University in the Officers of the University. The President is the chief executive and operating officer of the University and serves as an ex officio member of the Board.

Except for the very limited description of the University contained under this caption, no other information relating to the University, its operations or its financial condition is included in this Reoffering Circular. Potential investors should base their investment decisions with respect to the Reoffered Bonds *SOLELY* on the credit of the applicable Letter of Credit Bank.

## **PART 6 - THE AUTHORITY**

### **Background, Purposes and Powers**

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

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

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

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

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

At June 30, 2008, the Authority had approximately \$35.8 billion aggregate principal amount of bonds and notes outstanding, excluding indebtedness of the Agency assumed by the Authority on September 1, 1995 pursuant to the Consolidation Act. The debt service on each such issue of the Authority’s bonds and notes is paid from moneys received by the Authority or the trustee from or on behalf of the entity having facilities financed with the proceeds from such issue or from borrowers in connection with its student loan program.

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

The total amounts of the Authority bonds and notes (excluding debt of the Agency assumed by the Authority on September 1, 1995 pursuant to the Consolidation Act) outstanding at June 30, 2008 were as follows:



## 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 expires on March 31, 2010.

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 was 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 expired on March 31, 2008 and by law he continues to serve until a successor shall be chosen and qualified.

BRIAN RUDER, Scarsdale.

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

ANTHONY B. MARTINO, CPA, Buffalo.

Mr. Martino was appointed as a Member of the Authority by the Governor on April 26, 2004. A certified public accountant with more than 37 years of experience, Mr. Martino is a retired partner of the Buffalo CPA firm Lumsden & McCormick, LLP. He began his career at Price Waterhouse where he worked in the firm's Buffalo and Washington, DC, offices. 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 expired on August 31, 2007 and by law he continues to serve until a successor shall be chosen and qualified.

SANDRA M. SHAPARD, Delmar.

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

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

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

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.

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

Ms. Anglin was appointed Budget Director on January 1, 2008. As Budget Director, she is responsible for the overall development and management of the State’s fiscal policy, including overseeing the preparation of budget recommendations for all State agencies and programs, economic and revenue forecasting, tax policy, fiscal planning, capital financing and management of the State’s debt portfolio, as well as pensions and employee benefits. Ms. Anglin previously served as First Deputy Budget Director from January 2007 to December 2007. She was appointed Deputy Comptroller of the Division of Retirement Services in January 2003 and was responsible for overseeing the administration and managing the operations of the New York State and Local Retirement System. From 1996-2003, Ms. Anglin worked in the New York State Assembly where she served as Director of Budget Studies for the Assembly Ways and Means Committee and as First Deputy Fiscal Director for the Committee. Ms. Anglin has also held the position of Econometrician in the Department of Taxation and Finance from 1992-1996 and began her career as an Economist for the Department of Environmental Conservation. Ms. Anglin holds a Bachelor of Arts degree and a Masters degree in Economics from the State University of New York at Albany.

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

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

The principal staff of the Authority is as follows:

PAUL T. WILLIAMS, JR. is the Executive Director and chief administrative and operating officer of the Authority. Mr. Williams is responsible for the overall management of the Authority's administration and operations. He most recently served as Senior Counsel in the law firm of Nixon Peabody LLP. Prior to working at Nixon Peabody, Mr. Williams helped to establish a boutique Wall Street investment banking company. Prior thereto, Mr. Williams was a partner in, and then of counsel to, the law firm of Bryan Cave LLP. He was a founding partner in the law firm of Wood, Williams, Rafalsky & Harris, which included a practice in public finance and served there from 1984-1998. Mr. Williams began his career as an associate at the law firm of Walker & Bailey in 1977 and thereafter served as a counsel to the New York State Assembly. Mr. Williams is licensed to practice law in the State of New York and holds professional licenses in the securities industry. He holds a Bachelor's degree from Yale University and a Juris Doctor degree from Columbia University School of Law.

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

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

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

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

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

## **Claims and Litigation**

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

## **Other Matters**

### *New York State Public Authorities Control Board*

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

### *Legislation*

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

### *Environmental Quality Review*

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

### *Independent Auditors*

The accounting firm of KPMG LLP audited the financial statements of the Authority for the fiscal year ended March 31, 2008. Copies of the most recent audited financial statements are available upon request at the offices of the Authority.

## **PART 7 - THE PROJECT**

The Project consists of: (A) at the Brooklyn Campus, (i) construction and equipping an approximately 112,000 square foot multi-purpose Wellness, Recreation and Athletic Center, to be used for office facilities, athletic and recreational facilities, a gymnasium, a natatorium and a fitness center; (ii) renovations to the approximately 27,000 square foot Kumble Theatre, consisting of an extensive rehabilitation project to convert existing campus building space into a 300 seat theatre; (iii) completion and construction of an approximately 15,000 square foot entrance canopy and lobby for the Wellness, Recreation and Athletic Center, (iv) renovations to the approximately 8000 square foot of existing building for the Media Arts and Writing Program classroom and office improvements, (v) upgrade of life safety systems including fire alarms and sprinkler systems, (vi) renovation, refurbishment and related upgrades to the approximately 50,000 square foot Conolly residence hall, (vii) repair and refurbishment of existing outdoor plaza located in the center of campus, (viii) renovation and upgrading of an approximately 17,000 square foot library learning center, including lighting, ventilation, storage and interior improvements, (ix) renovation and upgrading of an approximately 15,000 square foot building housing the School of Business, (x) repairs and renovation of an approximately 90,000 square foot Goldner parking garage, and (xi) exterior and interior repairs to various existing campus buildings; (B) on the C.W. Post Campus, (i) renovations and improvements to convert Post

Hall, an approximately 72,000 square foot academic facility, to a 230 bed residence hall to accommodate existing on-campus needs; (ii) construction of a new atrium, entrance way and general refurbishments to the 2200 seat Tilles Center for Performing Arts, (iii) rehabilitation and conversion of an approximately 30,000 square foot campus building to an academic classroom building, (iv) existing residence hall upgrades including sprinkler systems, alarm upgrades and bathroom renovation, (v) existing classroom upgrades including fire alarms and general renovation, (vi) campus-wide improvements and upgrades including but not limited to roads, parking lots, elevators, roof replacements, energy management systems and emergency power systems, (vii) chiller plant replacement and upgrade, (viii) repair and upgrade of existing approximately 60,000 square foot athletic facility including the running track and spectator stands, and (ix) major renovation of third floor of library building creating additional classrooms and offices, and (C) the refunding of the Refunded Bonds, provided, however, the components of the Project identified as items (A) (i) - (iv), (vi) and (vii), (B) (i) - (iii), and (C) above have been fully completed or performed as of August 7, 2008.

## **PART 8 - LEGALITY OF THE REOFFERED BONDS FOR INVESTMENT AND DEPOSIT**

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

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

## **PART 9 - NEGOTIABLE INSTRUMENTS**

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

## **PART 10 - TAX MATTERS**

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

On the date of original issuance and delivery of each of the 2006 Bonds, Orrick, Herrington & Sutcliffe LLP, Bond Counsel, delivered its opinion that under existing law and assuming compliance with the aforementioned covenant, and the accuracy of certain representations and certifications made by the Authority and the University described above, interest on such Reoffered Bonds is excluded from gross income for Federal income tax purposes under Section 103 of the Code. In that opinion, Bond Counsel also opined that interest on each of the Reoffered Bonds is not treated as a preference item in calculating the alternative minimum tax imposed under the Code with respect to individuals and corporations, but indicated that such interest is included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax imposed on such corporations. These opinions have not been updated or reissued in connection with the remarketing of the Reoffered Bonds.

Upon the substitution by the University of the Dexia Standby Bond Purchase Agreement with the Letters of Credit as liquidity support for the Reoffered Bonds, Bond Counsel will deliver an opinion to the effect that, under existing laws, such substitution and the release of the financial guarantee insurance policy will not adversely affect any exclusion from gross income of the interest on the respective issue of Reoffered Bonds for Federal income tax purposes. Bond Counsel has expressed no tax opinion as to any other event or matter occurring subsequent to the delivery of its original approving opinions for each of the 2006 Bonds.

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

### **State Taxes**

On the date of original issuance and delivery of each of the 2006 Bonds, Bond Counsel delivered its opinion that, under existing statutes, interest on the particular issue of Reoffered Bonds is exempt from personal income taxes imposed by the State and any political subdivision thereof, including The City of New York. These opinions have not been updated or reissued in connection with the remarketing of the Reoffered Bonds.

### **Changes in Federal Tax Law and Post Issuance Events**

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Reoffered Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Reoffered Bonds. Prospective purchasers of the Reoffered Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Reoffered Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Authority or the University, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Authority and the University have covenanted, however, to comply with the requirements of the Code.

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

## **PART 11 - STATE NOT LIABLE ON THE REOFFERED BONDS**

The Act provides that notes and bonds of the Authority shall not be a debt of the State nor shall the State be liable thereon, nor shall such notes or bonds be payable out of any funds other than those of the Authority pledged thereto. The Resolution specifically provides that the Reoffered Bonds shall not be a debt of the State nor shall the State be liable thereon.

## **PART 12 - COVENANT BY THE STATE**

The Act states that the State pledges and agrees with the holders of the Authority's notes and bonds that the State will not limit or alter the rights vested in the Authority to provide projects, to establish and collect rentals therefrom and to fulfill agreements with the holders of the Authority's notes and bonds or in any way impair the

rights and remedies of the holders of such notes or bonds until such notes or bonds and interest thereon and all costs and expenses in connection with any action or proceeding by or on behalf of the holders of such notes or bonds are fully met and discharged. Notwithstanding the State's pledges and agreements contained in the Act, the State may in the exercise of its sovereign power enact or amend its laws which, if determined to be both reasonable and necessary to serve an important public purpose, could have the effect of impairing these pledges and agreements with the Authority and with the holders of the Authority's notes or bonds.

### **PART 13 - LEGAL MATTERS**

Certain legal matters incidental to the authorization and issuance of the Reoffered Bonds by the Authority were subject to the approval of Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel, whose approving opinion was delivered on November 9, 2006 in connection with the initial issuance of the 2006 Bonds. A copy of the opinion delivered by Bond Counsel is set forth in Appendix E hereto.

Orrick, Herrington & Sutcliffe LLP will, as a condition to the substitution of the Dexia Standby Bond Purchase Agreement by the Letters of Credit as liquidity support for the Reoffered Bonds and the release of the financial guarantee insurance policy, deliver its opinion to the effect that substitution and release will not cause interest on the Reoffered Bonds to be included in gross income of the owners of such Bonds for purposes of Federal Income taxation. A copy of the opinion to be delivered by Bond Counsel is set forth in Appendix F hereto.

Certain legal matters will be passed upon for the University by its Special Counsel, Moritt Hock Hamroff & Horowitz LLP, Garden City, New York. Certain legal matters will be passed upon for the Remarketing Agent by its Counsel, Winston & Strawn LLP, New York, New York.

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

### **PART 14 - CONTINUING DISCLOSURE**

So long as the Reoffered Bonds bear interest at the Weekly Rate, the Reoffered Bonds are exempt from Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission, and the Authority, the University, the Remarketing Agent and the Letter of Credit Banks will not be required to provide any continuing disclosure in accordance with the Rule.

### **PART 15 - RATINGS**

Moody's Investors Service, Inc. ("Moody's") and Standard & Poor's Rating Services ("S&P") are expected to assign long-term credit ratings of "Aa2" and "A+", respectively, to the Subseries 2006A-1 Bonds and "Aa3" and "AA-", respectively, to the Subseries 2006A-2 Bonds. Moody's and S&P are expected to assign short-term credit ratings of "VMIG 1" and "A-1", respectively, to the Subseries 2006A-1 Bonds and "VMIG 1" and "A-1+", respectively, to the Subseries 2006A-2 Bonds. The ratings will be based on the Letters of Credit to be issued by the Letter of Credit Banks. An explanation of the significance of such ratings should be obtained from the rating agency furnishing the same. There is no assurance that such ratings will prevail for any given period of time or that they will not be changed or withdrawn by such rating agencies if, in its judgment of any or all of them, circumstances so warrant. Any downward revision or withdrawal of such ratings may have an adverse effect on the market prices of the Reoffered Bonds.

### **PART 16 - REMARKETING**

The 2006 Bonds which are subject to mandatory tender will be purchased on August 7, 2008 by Dexia pursuant to, and in accordance with, the Dexia Standby Bond Repurchase Agreement. Piper Jaffray & Co., as Remarketing Agent, has agreed to purchase all of the 2006 Bonds (including any 2006 Bonds held as bank bonds by Dexia) from Dexia at an aggregate purchase price of par and to make a public offering of the Reoffered Bonds. The Remarketing Agent will be obligated to purchase all such Reoffered Bonds on the Conversion Date.

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

#### **PART 17 - MISCELLANEOUS**

References in this Reoffering Circular to the Act, the Resolutions, the 2006 Resolutions, the Loan Agreement, the Mortgages and the Intercreditor Agreement do not purport to be complete. Refer to the Act, the Resolutions, the Series 2006 Resolutions, the Loan Agreement, the Mortgages and the Intercreditor Agreement for full and complete details of their provisions. Copies of the Resolutions, the Series 2006 Resolutions, the Loan Agreement, the Mortgages and the Intercreditor Agreement are on file with the Authority and the Trustee.

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

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

The information regarding the 2006A-1 Letter of Credit and the 2006A-1 Letter of Credit Bank under “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SUBSERIES 2006 BONDS – The 2006A-1 Letter of Credit” and “Appendix D - Summary of Certain Provisions of the Reimbursement Agreement” and “PART 4 - THE LETTER OF CREDIT BANKS – Allied Irish Banks, p.l.c” has been furnished by the 2006A-1 Letter of Credit Bank. 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 2006A-2 Letter of Credit and the 2006A-2 Letter of Credit Bank under “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SUBSERIES 2006 BONDS – The 2006A-2 Letter of Credit” and “Appendix D - Summary of Certain Provisions of the Reimbursement Agreement” and “PART 4 - THE LETTER OF CREDIT BANKS – RBS Citizens, N.A.” has been furnished by the 2006A-2 Letter of Credit Bank. The Authority believes that this information is reliable, but the Authority makes no representations or warranties whatsoever as to the accuracy or completeness of this information.

“Appendix A – Definitions”, “Appendix B – Summary of Certain Provisions of the Loan Agreement,” “Appendix C – Summary of Certain Provisions of the Resolution” and “Appendix E –Approving Opinion of Bond Counsel,” have been prepared by Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel.

The University is obligated by the Loan Agreement to provide to the Authority its audited financial statements within 120 days after the end of the University’s fiscal year. The Authority does not currently publish or disseminate any financial or other information related to the University on a systematic basis and has not contracted to do so.

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

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

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

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

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

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## CERTAIN DEFINITIONS

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

**“Accreted Amount”** 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 Amount 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 Amount 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 Amount 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;

**“Additional Indebtedness”** means certain Indebtedness of the University as described in the Loan Agreement;

**“Alternative Parity Indebtedness”** means any indebtedness issued by the University or any other issuer on behalf of the University as permissible pursuant to the Loan Agreement and secured equally and ratably with the Bonds by the Mortgaged Property and/or the Pledged Revenues.

**“Annual Administrative Fee”** means the fee payable during each Bond Year for the general administrative and supervisory expenses of the Authority;

**“Applicable Debt Service Reserve Fund Requirement”** means the Debt Service Reserve Fund Requirement allocable to the Series of Bonds in question;

**“Appreciated Amount”** 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 Amount 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 Amount 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 Amounts for such Valuation Dates, and (iii) as of any date of computation on and after the Interest Commencement Date, the Appreciated Amount on the Interest Commencement Date;

**“Arbitrage Rebate Fund”** means the fund so designated, created and established pursuant to Section 5.02 of the Bond Resolution;

**“Authority Available Moneys Account”** means the account so designated and established within the Purchase and Remarketing Fund pursuant to Section 5.01 of the Bond Resolution;

**“Authority Fee”** means the fee payable to the Authority in connection with the issuance of the Bonds of a Series;

**“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;

**“Authorized Denominations”** (i) during any Daily Rate Period, any Commercial Paper Rate Period, or any Weekly Rate Period, \$100,000 or any integral multiple of \$5,000 in excess thereof (ii) during any Long-Term Rate Period or the Fixed Rate Period, \$5,000 or any integral multiple thereof and (iii) during the Auction Rate Mode, except as otherwise may be provided herein, \$25,000 and any integral multiple thereof;

**“Authorized Newspaper”** means **The Bond Buyer** or any other newspaper of general circulation printed in the English language and customarily published at least once a day for at least five (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 Chair, Vice-Chair, Secretary and Assistant Secretaries, Treasurer and Assistant Treasurers, Executive Director, Deputy Executive Director, Chief Financial Officer, Managing Director of Public Finance, Managing Director of Construction, Managing Director of Portfolio Management, General Counsel and such additional officers as may be designated by resolution of the Authority who shall hold office at the pleasure of the Board of the Authority; (ii) in the case of the University, the person or persons authorized to perform any act or sign any document by or pursuant to a resolution of the University’s Board of Trustees or its Executive Committee or the by-laws of the University; 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;

**“Available Moneys”** means, (a) whenever a Liquidity Facility is required to be maintained for the Series 2006 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 2006 Bonds, (ii) moneys derived from the remarketing of Series 2006 Bonds which are directly paid to and held by the Tender Agent for the payment of the Purchase Price of such Series 2006 Bonds, (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 University, 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 2006 Bonds would not, in the opinion of Bond Counsel which opinion is acceptable to Moody's Investors Service (if applicable), constitute avoidable preference in the case of a filing for protection of the Authority under the Bankruptcy Code and (v) the proceeds from the investment of moneys described in clauses (i) through (iv) above; (b) whenever a Credit Facility is maintained for the Series 2006 Bonds moneys obtained by the Trustee from the Credit Facility Provider thereof pursuant to such Credit Facility and held by the Trustee for payment of the principal of or interest on the related Series 2006 Bonds and (c) at any other time, any moneys;

**“Bank Bond”** means any Series 2006 Bond during the period from and including the date it is (a) purchased or paid for by a Provider pursuant to a Liquidity Facility to, but excluding, the earliest of (i) the date on which the principal, Redemption Price or Purchase Price of such Series 2006 Bond, together with all interest accrued thereon, is paid with amounts other than amounts drawn under the Liquidity Facility, (ii) the date on which the registered owner of a Series 2006 Bond has given written notice of its determination not to sell such Series 2006 Bond following receipt of a purchase notice from the Remarketing Agent with respect to such Series 2006 Bond, or, if notice of such determination is not given on or before the Business Day next succeeding the day such purchase notice is received, the second Business Day succeeding receipt of such purchase notice or (iii) the date on which such Series 2006 Bond is to be purchased pursuant to an agreement by the registered owner of such Series 2006 Bond to sell such Series 2006 Bond following receipt of a purchase notice from the Remarketing Agent with respect to such Series 2006 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 2006 Bond, together with the interest accrued thereon to the date of purchase; or (b) paid as to the principal of and interest thereon by the Credit Facility Provider pursuant to a Credit Facility which has not been reimbursed pursuant to its related Reimbursement Agreement;

**“Bank Bond Rate”** means the rate at which a Bank Bond bears interest in accordance (a) with a Liquidity Facility or related Reimbursement Agreement, if any, providing for the issuance of a Liquidity Facility or (b) with a Credit Facility or related Reimbursement Agreement, if any, providing for the issuance of a Credit Facility, as applicable; provided, however, that in no event shall such rate exceed the Maximum Interest Rate applicable thereto;

**“BMA Municipal Index”** means the BMA 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 BMA Municipal 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;

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

**“Bond Counsel”** means an attorney or 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 Payment Date”** means an Interest Payment Date and any date on which the principal of a Series 2006 Bond is due and payable upon its maturity or its redemption through mandatory Sinking Fund Installments, but the principal does not include the Purchase Price of Tendered Bonds or the Redemption Price of a Series 2006 Bond called for redemption pursuant to the Bond Series Certificate relating to the Series 2006 Bonds;

**“Bond Resolution”** means the Authority’s Long Island University Insured Revenue Bond Resolution, adopted July 26, 2006;

**“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 hereunder or under a Series Resolution;

**“Bond Year”** means a period of twelve (12) consecutive months beginning September 1 in any calendar year and ending on August 31 of the succeeding calendar year;

**“Bondowner, Owner of Bonds or Owner”** or any similar term, when used with reference to a Bond or Bonds, except as provided in the Bond 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”**, as used in the Bond Resolution, 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, the Credit Facility Provider, the Liquidity Facility Provider or the Facility Provider for such Bonds are legally authorized to close in The City of New York;

**“Business Day”**, as used in the Bond Series Certificate relating to the 2006 Bonds, when used in connection with any particular Series 2006 Bonds means a day other than (i) a Saturday and Sunday or a (ii) a day on which any of the following are authorized or required to remain closed: (A) banks or trust companies chartered by the State of New York or the United States of America (B) the Trustee, (C) the New York Stock Exchange, (D) the applicable Credit Facility Provider, (E) if such Series 2006 Bonds are in the Commercial Paper Mode, the

Daily Rate Mode, the Weekly Rate Mode or the Long-Term Rate Mode, the Tender Agent, the Remarketing Agent, the Credit Facility Provider or Liquidity Facility Provider for such Series 2006 Bonds, or (F) if such Series 2006 Bonds are in the Auction Rate Mode, the Auction Agent or a Broker-Dealer for such Series 2006 Bonds;

“**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;

“**Certificate of Determination**” means a certificate of an Authorized Officer of the Authority executed upon the Conversion of Series 2006 Bonds out of a Rate Mode to an Initial Rate Period, if necessary, prior to the Conversion of Series 2006 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 hereunder, and the matters required by the Bond Series Certificate Relating to the 2006 Bonds relating to a Liquidity Facility;

“**Code**” means the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder;

“**Commercial Paper Mode**” means a Rate Mode in which a Series 2006 Bond for its respective Commercial Paper Rate Period bears interest at a Commercial Paper Rate;

“**Commercial Paper Rate Period**” means, with respect to a particular Series 2006 Bond, each period determined as provided in the Bond Series Certificate Relating to the 2006 Bonds during which such Series 2006 Bonds accrues interest at a Commercial Paper Rate;

“**Commercial Paper Rate**” means, with respect to each Series 2006 Bond in the Commercial Paper Mode, the rate at which each such Series 2006 Bond bears interest during the Commercial Paper Rate Period applicable thereto, as established in accordance with the Bond Series Certificate Relating to the 2006 Bonds;

“**Construction Fund**” means the fund so designated, created and established pursuant to the Bond Resolution;

“**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 University relating to the construction of the Project, and any amendments to the foregoing;

“**Conversion Date**” means the day on which a Series 2006 Bond is converted from one Rate Mode to a different Rate Mode or was proposed to be converted from one Rate Mode to another Rate Mode, which date must be a Reset Date or an Interest Payment Date for such Series 2006 Bond, provided, however, that if the Series 2006 Bonds to be converted are in the Auction Rate Mode no Conversion Date may be on an Interest Payment Date that occurs during a Special Auction Period of ninety-two or more days, but must be on the Interest Payment Date next succeeding the last day of such Special Auction Period;

“**Conversion Notice**” means a notice given pursuant to the Bond Series Certificate relating to the 2006 Bonds;

“**Conversion**” means a change in the Rate Mode of a Series 2006 Bond made in accordance with the provisions of the Bond Series Certificate relating to the 2006 Bonds and, when a Series 2006 Bond is in the Auction Rate Mode, also means a change from one Auction Period to another Auction Period for such Series 2006 Bond;

“**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;

**“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 University 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 University or the Authority for advances made by them for any of the above items or for other costs incurred and for work done by them in connection with a Project (including interest on moneys borrowed from parties other than the University), (viii) interest on the Bonds prior to, during and for a reasonable period after completion of the acquisition, construction, reconstruction, rehabilitation, repair, improvement or equipping of a Project, and (ix) fees, expenses and liabilities of the Authority incurred in connection with such Project or pursuant hereto or to the Loan Agreement, a Liquidity Facility, a Credit Facility or a Remarketing Agreement;

**“Counterparty”** means any person with which the Authority or the University 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.

**“Credit Facility Account”** means an account so designated and established within the Credit Facility Fund pursuant to the Resolution.

**“Credit Facility Provider”** means, initially as of the Replacement Date, (i) Allied Irish Banks, p.l.c., New York Branch, with respect to the \$36,005,000 aggregate principal amount of Series 2006A-1 Bonds, and (ii) RBS Citizens, N.A., with respect to the \$36,010,000 aggregate principal amount of Series 2006A-2 Bonds.

**“Credit Facility Provider Default”** means any one of the following events:

(i) the institution of insolvency proceedings by or against the Credit Facility Provider under any bankruptcy act or any similar law which may be hereafter enacted (an “Insolvency”), unless such petition shall have been dismissed and such dismissal shall be final and not subject to appeal; provided, that if any such petition is filed against the Credit Facility Provider, the Credit Facility Provider shall have 90 days to obtain such dismissal and further, provided, that so long as there exists an amount due and owing under the Reimbursement Agreement and the Credit Facility Provider has honored all properly presented and conforming drawings, no Credit Facility Provider Default shall exist; or

(ii) any uncured failure by the Credit Facility Provider to honor any drawing timely presented under the Credit Facility and made in strict compliance with the terms of the Credit Facility, within one (1) day following the date of such drawing is received by the Credit Facility Provider, where (A) there is no Insolvency and (B) such failure does not result from a restraint imposed upon the Credit Facility Provider by a court order or any similar restriction; or

(iii) any repudiation in writing by the Credit Facility Provider of its obligation to honor any drawing timely presented, which drawing is in compliance with the terms of the Credit Facility.

**“Credit Facility Repayment Fund”** means the account so designated and established within the Purchase and Remarketing Fund pursuant to the Resolution.

**“Daily Rate Mode”** means a Rate Mode in which a Series 2006 Bond in such Rate Mode bears interest at a Daily Rate;

**“Daily Rate Period”** means a period commencing on a Conversion Date or on a Business Day and extending to, but not including, the next succeeding Business Day, during which Series 2006 Bonds in the Daily Rate Mode bear interest at the Daily Rate;

**“Daily Rate”** means the rate at which a Series 2006 Bond in the Daily Rate Mode bears interest, as established in accordance with the Bond Series Certificate relating to the Series 2006 Bonds;

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

**“Debt Service Reserve Fund Requirement”** means, with respect to the Series 2006 Bonds, as of the Replacement Date, the Debt Service Reserve Fund Requirement with respect to the Series 2006 Bonds shall be \$0;

**“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;

**“Default Notice”** means a notice given (i) by a Liquidity 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 or (ii) by a Credit Facility Provider of a Credit Facility pursuant to such Credit Facility or the applicable Reimbursement Agreement to the effect that an event of default thereunder has occurred and that the Credit Facility will terminate on the date specified in such notice;

**“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 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 March 1 and September 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;

**“Direct Participant”** means a participant in the book-entry system of recording ownership interests in the Series 2006 Bonds;

**“DTC”** means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, in its capacity as Depository for the Series 2006 Bonds, or any successor Depository for any Series 2006 Bonds;

**“Event of Default”**, when used in connection with the Loan Agreement, has the meaning given to such term in Appendix C of this Official Statement;

**“Event of Default”**, when used in connection with the Bond Resolution, has the meaning given to such term in Appendix D of this Official Statement;

**“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 hereunder, 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;

(iii) a share or interest in a mutual fund, partnership or other fund wholly comprised of any of the foregoing obligations; and

(iv) 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;

**“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.

“**Fiscal Year**” means the fiscal year of the University, currently September 1 to August 31, as the same may be changed by the University with written notice to the Authority and “**Complete Fiscal Year**” as used herein means a Fiscal Year for which audited financial statements of the University are available;

“**Fixed Rate Mode**” means a Rate Mode in which a Series 2006 Bond in such Rate Mode bears interest at a Fixed Rate;

“**Fixed Rate Period**” means the period from and including the Conversion Date and extending (i) to and including the date of maturity of a Series 2006 Bonds in the Fixed Rate Mode or (ii) to, but not including, the Conversion Date on which Series 2006 Bonds in the Fixed Rate Mode are converted another Rate Mode;

“**Fixed Rate**” means the rate at which a Series 2006 Bond bears interest to its maturity during the Fixed Rate Period, as established in accordance with the Bond Series Certificate relating to the Series 2006 Bonds;

“**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.

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

“**Initial Rate Period**” (i) when used in connection with any particular Series 2006 Bonds, means the period commencing on the Issue Date and extending to and including the date set forth as the last day of the Initial Rate Period, and (ii) when used in connection with a Conversion, the period commencing on the Conversion Date and extending to and including the date set forth in a Certificate of Determination as the last day of the Initial Rate Period;

“**Initial Rate**” when used in connection with any particular Series 2006 Bond means the rate per annum at which such Series 2006 Bond will bear interest during the Initial Rate Period, as set forth in the Bond Series Certificate relating to the Series 2006 Bonds and, when used in connection with a Conversion or a Mandatory Tender in accordance with the Bond Series Certificate, the respective rates per annum set forth in a Certificate of Determination;

**“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 March 1 and September 1 of each Bond Year;

**“Interest Payment Date”** means (i) with respect to any particular Series 2006 Bond, the day next succeeding the last day of the Initial Rate Period for such Series 2006 Bond, (ii) during any Daily Rate Period or any Weekly Rate Period, the first Business Day of each month, (iii) during any Commercial Paper Rate Period, the next succeeding Reset Date or Conversion Date, (iv) during any Long-Term Rate Period or the Fixed Rate Period, each March 1 and September 1 and (v) with respect to the Auction Rate Mode, each date that is specified as an “Interest Payment Date” in the Bond Series Certificate relating to the Series 2006 Bonds; 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;

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

**“Liquidity Facility Provider”** means the issuer of any Liquidity Facility.

**“Loan Agreement”** means the Loan Agreement, dated as of July 26, 2006, by and between the Authority and the University 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;

**“Long-Term Rate Mode”** means a Rate Mode designated as such in a Conversion Notice in which a Series 2006 Bond in such Rate Mode bears interest at a Long-Term Rate;

**“Long-Term Rate Period”** means a period commencing on the Conversion Date or a Reset Date and extending (i) to and including the next succeeding Reset Date which Reset Date must be a Business Day at least three hundred sixty-five (365) days from the Conversion Date or the immediately preceding Reset Date and (ii) to,

but not including, the Conversion Date on which Series 2006 Bonds in the Fixed Rate Mode are converted to another Rate Mode except as otherwise provided in the Bond Series Certificate to the 2006 Bonds;

**“Long-Term Rate”** means the rate at which a Series 2006 Bond bears interest during a Long-Term Rate Period, as established in accordance with the Bond Series Certificate relating to the Series 2006 Bonds;

**“Mandatory Tender Date”** means any date on which a Series 2006 Bond is required to be purchased in accordance with the Bond Series Certificate relating to the Series 2006 Bonds;

**“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 fiscal year of the University 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, a 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;

**“Mortgage”** means a mortgage on certain property of the University granted to the Authority on the Mortgaged Property, as such Mortgage may be amended or modified from time to time;

**“Mortgaged Property”** means the land described in a Mortgage and the buildings and improvements erected thereon or hereinafter, and the fixtures, furniture and equipment owned or leased by the University and now or hereinafter located therein or thereon, as from time to time amended, supplemented or modified.

**“No Remarketing Notice”** means, as of any date of determination, a notice given by the Provider of a Liquidity Facility pursuant to such Liquidity Facility or the applicable Reimbursement Agreement to the effect that an event of default under the Liquidity Facility or the Reimbursement Agreement has occurred and that from and after the date specified therein no Tendered Bonds to which the Liquidity Facility relates are to be remarketed;

**“Official Statement”** means an official statement or other offering document relating to and in connection with the sale, remarketing or reoffering of Bonds;

**“Opinion of Bond Counsel”** means an opinion of Bond Counsel to the effect that the action proposed to be taken will not cause interest on the Series 2006 Bonds to be includable in the gross income of the owners of such Series 2006 Bonds for purposes of federal income taxation and such action is authorized or permitted by the Resolutions;

**“Option Bond”** means any Bond which by its terms may be or is required to be tendered by the Owner 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 Owner thereof in accordance with the Series Resolution authorizing such Bonds or the Bond Series Certificate related to such Bonds;

**“Optional Tender Date”** means any Business Day during a Daily Rate Period or a Weekly Rate Period;

**“Outstanding”**, when used in reference to Bonds, means, as of a particular date, all Bonds authenticated and delivered hereunder 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 Section 12.01 hereof;
- (iii) any Bond in lieu of or in substitution for which another Bond shall have been authenticated and delivered pursuant to Article III, Section 4.06 or Section 10.06 hereof; 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 herein and in the Series Resolution authorizing such Bonds or the Bond Series Certificate relating to such Bonds.

“**Parity Pledges**” means, with respect to any and all property of the University, whether real or personal, tangible or intangible, including property subject to the Mortgage and all moneys, income, rents or revenues of the University, the right to receive the same and the proceeds thereof which are pledged as Pledged Revenues in connection with the issuance of the Authority’s Long Island University Insured Revenue Bonds, Series 1999, 2003A and 2003B, any lien, charge or encumbrance thereupon, pledge thereof or security interest therein, which lien, charge, encumbrance, pledge or security interest is existing at the date such property, including moneys, income, rents or revenues of the University, or the right to receive such property, is pledged as Pledged Revenues;

“**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 property subject to a Mortgage 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 the 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 the Loan Agreement with respect to religious use of a Project; and

(vi) Such other encumbrances, defects, and irregularities to which the Credit Facility Provider's 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.

**"Pledged Revenues"** means all current unrestricted fund revenues of the University, excluding gifts, grants, bequests, donations or other contributions made to the University designated at the time of making thereof by the donor or makers as being for certain specific purposes inconsistent with the payment of debt service on Bonds, and the income derived therefrom, to the extent required by such designation;

**"Project"** means each "dormitory" as defined in the Act, which may include more than one part, financed in whole or in part from the proceeds of the sale of Bonds, as more particularly described in a particular Loan Agreement, as the same may be amended from time to time;

**"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;

**"Provider"** when used in connection with any particular Series 2006 Bonds means the provider of a Liquidity Facility for such Series 2006 Bonds delivered in accordance with the provisions of the Bond Series Certificate relating to the Series 2006 Bonds;

**"Purchase Account"** means the account so designated and established within the Purchase and Remarketing Fund pursuant to the Bond Resolution;

**"Purchase and Remarketing Fund"** means the Series 2006 Bonds Purchase and Remarketing Fund established pursuant to the Bond Resolution;

**"Purchase Price"** means: (i) when used in relation to Tendered Bonds, other than Series 2006 Bonds tendered upon a Conversion from the Fixed Rate Mode or Long-Term Rate Mode, an amount equal to (a) one hundred percent (100%) of the principal amount of any Series 2006 Bond tendered or deemed tendered to the Tender Agent for purchase pursuant to the Bond Series Certificate relating to the Series 2006 Bonds or (b) the

amount payable to the registered owner of a Bank Bond following receipt by such owner of a purchase notice from the Remarketing Agent; and (ii) when used in relation to Tendered Bonds mandatorily tendered pursuant to such Bond Series Certificate upon Conversion from the Fixed Rate Mode or a Long-Term Rate Mode on a date other than a Reset Date, an amount equal to the Redemption Price that would be payable if such Series 2006 Bonds had been called for redemption on the Conversion Date; plus in each case accrued and unpaid interest thereon to the date of purchase; provided, however, that, in each case, if the date of purchase is an Interest Payment Date, then the Purchase Price shall not include accrued and unpaid interest, which shall be paid to the Bondowner of record on the applicable Record Date;

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

(i) a securities dealer, the liquidation of which is subject to the Securities Investors Protection Corporation or other similar corporation, and (a) that is on the Federal Reserve Bank of New York list of primary government securities dealers and (b) whose senior unsecured long term debt is at the time an investment with it 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;

(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;

(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 s;

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

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

**“Qualified Purchaser”** means a person in whose name a Bank Bond may, as provided in the applicable Liquidity Facility or the Reimbursement Agreement with the Provider thereof, be registered or to whom a Bank Bond may be transferred by or upon the order of such Provider without affecting the character of such Series 2006 Bond as a Bank Bond;

**“Rate Mode”** means the Daily Rate Mode, Commercial Paper Mode, Weekly Rate Mode, Long-Term Rate Mode, Fixed Rate Mode or Auction Rate Mode;

**“Rate Period”** means any Initial Rate Period, any Daily Rate Period, any Commercial Paper Rate Period, any Weekly Rate Period, any Long-Term Rate Period, the Fixed Rate Period or any Auction Period;

**“Rate”** means the Initial Rate, any Daily Rate, Commercial Paper Rate, Weekly Rate, Long-Term Rate, Bank Bond Rate, the Fixed Rate or the Auction Rate;

**“Rating Service”** means each of Fitch, Inc., 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, with respect to each Interest Payment Date, (i) during any Daily Rate Period, any Commercial Paper Rate Period, any Weekly Rate Period or any Auction Period, the close of business on the Business Day preceding such Interest Payment Date, and (ii) during any Long-Term Rate Period or the Fixed Rate Period, the close of business on the fifteenth (15th) day of the calendar month immediately preceding any calendar month in which there occurs an Interest Payment Date, regardless of whether such day is a Business Day;

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

**“Refunded Bond Trustee”** means Manufacturers and Traders Trust Company, Buffalo, New York, as trustee with respect to the Refunded Bonds;

**“Refunded Bonds”** means the outstanding amount of the Authority’s Long Island University Insured Revenue Bonds, Series 1996 which are to be refunded through the application of a portion of the proceeds of the Series 2006 Bonds together with other moneys available therefor.

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

**“Reimbursement Agreement”** means any agreement by and between the University and (i) the Liquidity Provider of a Liquidity Facility pursuant to which the Liquidity Provider has provided the Liquidity Facility and the University has agreed to reimburse the Liquidity Provider for money advanced by the Liquidity Provider for payment of the Purchase Price of Series 2006 Bonds tendered or deemed tendered for purchase in accordance herewith or (ii) the Credit Facility Provider of a Credit Facility pursuant to which the Credit Facility Provider has provided the Credit Facility and the University has agreed to reimburse the Credit Facility Provider for, among other things, money advanced by the Credit Facility Provider for payment of the principal of or interest on the Series 2006 Bonds when due;

**“Related Agreements”** means each Remarketing Agreement, Interest Rate Exchange Agreement, and any agreement entered into in connection with a Credit Facility, Reserve Fund Facility or Liquidity Facility, to which the University is a party;

**“Remarketing Agent”** means a person appointed pursuant to a Remarketing Agreement to serve as the Authority’s agent in connection with the remarketing of Series 2006 Bonds in the Commercial Paper Mode, the Daily Rate Mode, the Weekly Rate Mode or the Long-Term Rate Mode and to perform the duties of a Remarketing Agent hereunder, or any successor remarketing agent;

**“Remarketing Agreement”** means the agreement by and between the Authority and the Remarketing Agent relating to the remarketing of particular Series 2006 Bonds in the Commercial Paper Mode, the Daily Rate Mode, the Long-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 Bond Resolution;

**“Reserve Fund Facility”** means a surety bond, insurance policy, letter of credit or other financial guaranty or instrument delivered in accordance with the requirements of the Bond Resolution;

**“Reset Date”** means, with respect to a Series 2006 Bond in a Daily Rate Mode, a Commercial Paper Mode, a Weekly Rate Mode or a Long-Term Rate Mode, the date on which the interest rate borne by such Series 2006 Bond is to be determined in accordance with the provisions of the Bond Certificate relating to the Series 2006 Bonds;

**“Resolution”** Resolution means the Long Island University Revenue Bond Resolution, as from time to time amended or supplemented by Supplemental Resolutions or Series Resolutions in accordance with the terms and provisions hereof;

**“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, including but not limited to amounts derived from the foreclosure or sale of or other realization upon the Pledged Revenues;

**“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 Bond Resolution and to a 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 Bond 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 Bond Resolution;

**“Sinking Fund Installment”** means, as of any date of calculation, when used with respect to any Bonds of a Series, other than Option Bonds or Variable Interest Rate Bonds, so long as any such Bonds are Outstanding, the amount of money required hereby or by the Series Resolution pursuant to which such Bonds were issued or by the Bond Series Certificate relating thereto to be paid on a single future September 1 for the retirement of any Outstanding Bonds of said Series which mature after said future September 1, but does not include any amount payable by the Authority by reason only of the maturity of a Bond, and said future September 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 which may be between and among the Authority and another person or between and among the Authority, the University, the Trustee 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 Bond Resolution;

**“Tax Certificate”** means the certificate, including the appendices, schedules and exhibits thereto, executed in connection with the issuance of Bonds in which the Authority and the University make 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;

**“Tender Agent”** means the Trustee, who is appointed as Tender Agent pursuant to Section 8.01 hereof and having the duties, responsibilities and rights provided herein, and its successor or successors and any successor Trustee which may at any time be substituted in its place pursuant hereto;

**“Tender Date”** means each Optional Tender Date or Mandatory Tender Date;

**“Tender Notice”** means the notice given pursuant to the Bond Series Certificate relating to the Series 2006 Bonds by the Bondowners of a Series 2006 Bond upon an election to tender such Series 2006 Bond;

**“Tendered Bond”** means a Series 2006 Bond or portion thereof in an Authorized Denomination mandatorily tendered or tendered at the option of the Bondowner thereof for purchase in accordance with the Bond Series Certificate relating to the Series 2006 Bonds, including a Series 2006 Bond or portion thereof deemed tendered, but not surrendered on the applicable Tender Date;

**“Term Bonds”** means the Bonds so designated in a Series Resolution or a Bond Series Certificate and payable from Sinking Fund Installments;

**“Termination Date”** when used in connection with (a) a particular Credit Facility means (i) the date on which such Credit Facility will expire by its terms, as such date may be extended from time to time or any earlier date on which such Credit Facility shall terminate or expire or be cancelled upon delivery of a substitute Credit Facility in accordance with the Bond Series Certificate or (ii) a date prior to its stated Termination Date as set forth (A) in a Termination Notice delivered by the Credit Facility Provider thereof in accordance with such Credit Facility or the applicable Reimbursement Agreement or (B) in a notice provided by the University pursuant to the Credit Facility or (b) a particular Liquidity Facility means (i) the date on which such Liquidity Facility will expire by its terms, as such date may be extended from time to time or any earlier date on which such Liquidity Facility shall terminate or expire or be cancelled upon delivery of a substitute Liquidity Facility in accordance with the Bond Series Certificate, or (ii) a date prior to its stated Termination Date as set forth (A) in a Termination Notice delivered by the Liquidity Provider thereof in accordance with such Liquidity Facility or the applicable Reimbursement Agreement or (B) in a notice provided by the University pursuant to the Liquidity Facility;

**“Termination Notice”** means a notice given (i) by a Liquidity Provider pursuant to the Liquidity Facility provided by it or the applicable Reimbursement Agreement to the effect that the Liquidity Facility issued by that Liquidity Provider will terminate on the date specified in such notice other than as a result of the occurrence of

an event described in the Resolution or (ii) by a Credit Facility Provider pursuant to the Credit Facility provided by it or the applicable Reimbursement Agreement to the effect that the Credit Facility issued by that Credit Facility Provider will terminate on the date specified in such notice;

**“Trustee”** means the bank with trust powers or trust company appointed as Trustee for the Bonds pursuant to the Bond Resolution and having the duties, responsibilities and rights provided for herein, 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 Bond Resolution;

**“University”** means Long Island University, an institution for higher education located in the State and authorized to confer degrees by law or by the Board of Regents of the State, or any successor thereto;

**“Valuation Date”** means (i) with respect to any Capital Appreciation Bond, each date set forth in the Series Resolution authorizing such Capital Appreciation Bond or in the Bond Series Certificate relating to such Bond on which a specific Accreted Amount 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 Amounts are assigned to such Deferred Income Bond;

**“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 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;

**“Weekly Index Alternate Rate”** means a rate per annum, expressed as a decimal, equal to the BMA Municipal Index;

**“Weekly Rate Mode”** means a Rate Mode in which a Series 2006 Bond in such Rate Mode bears interest at a Weekly Rate;

**“Weekly Rate Period”** means a period commencing on a Conversion Date or the Thursday of a calendar week and extending to and including the next succeeding Wednesday;

**“Weekly Rate”** means the rate at which a Series 2006 Bond bears interest during a Weekly Rate Period, as established in accordance with the Bond Series Certificate relating to the Series 2006 Bonds;

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies as well as natural persons.

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

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

The **AUTHORITY AND THE UNIVERSITY** mutually covenant and agree with respect to the Loan Agreement (including the Exhibits and Schedules thereto) as follows:

**Corporate Power of the University.**

The University represents and warrants in the Loan Agreement that it has the requisite power and authority to authorize, execute and deliver, and to perform its obligations under, the Loan Agreement.

(Section 2)

**Parties to Benefit.**

The Loan Agreement is executed in connection with the issuance of Bonds by the Authority. Except as otherwise expressly provided herein, nothing herein, expressed or implied, is intended or shall be construed to confer upon any person, firm or corporation, other than the Authority, the University, the Credit Facility Providers and the Trustee, any right, remedy or claim, legal or equitable, under the Loan Agreement or by reason hereof or of any provision hereof, the Loan Agreement and all the provisions hereof being intended to be and being for the sole and exclusive benefit of the Authority, the University, the Credit Facility Providers and the Trustee.

(Section 3)

**Project Financing**

The Authority agrees to use its best efforts from time to time to authorize, issue, sell and deliver Bonds in the aggregate principal amount sufficient, together with other moneys available therefor, to pay the Costs of the Projects and Costs of Issuance. The proceeds of the Bonds shall be applied as specified in the Series Resolution authorizing the issuance thereof or the Bond Series Certificate relating to such Bonds.

(Section 4)

**Construction of the Project**

The University agrees that, whether or not there are sufficient moneys available to it under the provisions of the Resolution and the Series Resolution and under the Loan Agreement, the University shall complete the acquisition, design, construction, reconstruction, rehabilitation and improving or otherwise providing and furnishing and equipping of the Project, substantially in accordance with the Contract Documents related to such Project. Subject to the conditions hereof, the Authority will, to the extent of moneys available in the Construction Fund, cause the University to be reimbursed for, or pay, any costs and expenses incurred by the University which constitute Costs of the Project, provided such costs and expenses are approved by the Authority, which approval shall not be unreasonably withheld.

To the extent that moneys are available therefor, moneys in a Construction Fund shall be disbursed from the applicable accounts thereof as the construction of the Projects progresses, but not more frequently than once a month, unless otherwise agreed to in writing by the Authority, in amounts and at the times as shall be requested by the University pursuant to a request for disbursement as hereinafter provided, but not in excess of that needed, in the reasonable judgment of the Authority, to reimburse the University for, or to pay, any costs and expenses constituting

Costs of such Projects previously paid or then due; provided, however, that the Authority may, in its sole discretion, withhold or delay making any advance in connection with any Project at any time there is pending an action or proceeding, judicial or administrative, challenging the University's right to undertake such Project or any part thereof, or in which there is in issue (i) the validity of any governmental permit, consent or authorization, or the issuance thereof, necessary in connection with such Project or any part thereof, or (ii) the due authorization or validity of the Bonds, unless the University has provided the Authority with security in such form and amount as may be reasonably required by the Authority.

The University acknowledges and agrees that disbursements from the Construction Fund are to be made by the Trustee and shall be made in accordance with the Resolution only upon receipt by the Trustee of the documents required by the Resolution to be executed and delivered in connection with such disbursements. The Authority agrees to provide the University, upon request therefor, copies of any certificates made by the Authority and delivered to the Trustee in connection with payments from the Construction Fund for Costs of Issuance.

The Project shall be deemed to be complete upon delivery to the Authority, each Credit Facility Provider and the Trustee of a certificate signed by an Authorized Officer of the University which certificate shall be delivered as soon as practicable after the completion of such Project, or upon delivery to the Trustee and the University of a certificate signed by an Authorized Officer of the Authority and delivered at any time after completion of such Project. Any such certificate shall comply with the requirements of Section 5.04 of the Bond Resolution. The Authority agrees that it will not execute and deliver any such certificate unless the Authority has notified the University in writing that, in the Authority's judgment, such Project has been completed substantially in accordance with the plans and specifications therefor and the University has failed to execute and deliver the certificate provided for herein within thirty (30) days after such notice is given. The moneys, if any, remaining in the Construction Fund after such Project has been deemed to be complete shall be paid as provided in Section 5.04 of the Bond Resolution.

*(Section 5)*

#### **Amendment of Projects.**

The University, with the prior written consent of the Authority and each Credit Facility Provider, 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 hereof, the University 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 and each Credit Facility Provider, which approval shall not be unreasonably withheld.

The Authority, upon the request of the University, may, but shall not be required to, issue Bonds to provide moneys required for the cost of completing the Project in excess of the moneys in the applicable Construction Fund. Nothing contained herein or in the Resolution shall be construed as creating any obligation upon the Authority to issue Bonds for such purpose, it being the intent hereof to reserve to the Authority full and complete discretion to decline to issue such Bonds. The proceeds of any additional Bonds shall be deposited and applied as specified in the Series Resolution authorizing such Bonds or the Bond Series Certificate relating to such Series of Bonds.

*(Section 6)*

#### **Compliance with Governmental Requirements.**

The Contract Documents shall conform to all Governmental Requirements in effect on their respective dates of execution. The University shall comply with (i) all Governmental Requirements which, if not complied with, could adversely affect the University, its operation or financial condition or title to its properties in any material respect, and (ii) any requirement of an insurance company writing insurance thereon irrespective of the nature of the work required to be done.

*(Section 7)*

## Financial Obligations.

(a) Except to the extent that moneys are available therefor under the Resolution or under the Loan Agreement, including moneys in the Debt Service Fund, and interest accrued but unpaid on investments held in the Debt Service Fund, the University hereby 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:

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

(viii) 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;

(ix) In the case of Variable Interest Rate Bonds, on or before the tenth (10th) day of each month commencing on the tenth (10th) day of the month (which is at least 60 days prior to the Interest Payment Date) following issuance of such Bonds, an amount equal to 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; provided that, in the event the amount deposited pursuant to this section (iii) is not sufficient to pay the interest coming due on such Variable Interest Rate Bonds on such Interest Payment Date, the University shall pay the amount necessary to cure such deficiency as of the Business Day prior to such Interest Payment Date;

(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 Bonds that are not Variable Interest Rate Bonds becomes due, one-sixth (1/6) of the interest coming due on the Bonds on the immediately succeeding interest payment date on the Bonds; *provided however*, that, if with respect to a Series of Bonds there are more or less than six (6) such payment dates prior to the first interest payment on the Bonds of such Series, on each payment date prior to such Interest Payment Date the Institution shall pay with respect to such Series of Bonds an amount equal to the interest coming due on Bonds of such Series 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 the Bonds of such Series;

(vi) At least forty-five (45) days with respect to Bonds other than Option Bonds and Variable Interest Rate Bonds and fifteen (15) 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, is to be paid, the amount required to pay the Redemption Price or purchase price of such Bonds;

(x) Promptly upon demand by the Authority, all amounts required to be paid by the University as a result of an acceleration pursuant to Section of the Loan Agreement; and

(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.

Notwithstanding any provisions herein or in the Resolution to the contrary (except as otherwise specifically provided for in this subdivision), all moneys paid by the University to the Trustee pursuant hereto or otherwise held by the Trustee shall be applied in reduction of the University'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 Section 12.01(b) of the Bond Resolution. Except as otherwise provided in the Resolution, the Trustee shall hold such moneys in trust in accordance with the applicable provisions of the Resolution for the sole and exclusive benefit of the Owners of Bonds and each Credit Facility Provider, regardless of the actual due date or applicable payment date of any payment to the Owners of Bonds.

(c) The obligations of the University to make payments or cause the same to be made under the Loan Agreement shall be absolute and unconditional and the amount, manner and time of making such payments shall not be decreased, abated, postponed or delayed for any cause or by reason of the happening or non-happening of any event, irrespective of any defense or any right of set-off, recoupment or counterclaim which the University may otherwise have against the Authority, the Trustee, the Credit Facility Providers or any Owner of Bonds for any cause whatsoever including, without limiting the generality of the foregoing, failure of the University to complete the Project or the completion thereof with defects, failure of the University 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 herein shall be construed to release the Authority from the performance of any agreements on its part herein contained or any of its other duties or obligations, and in the event the Authority shall fail to perform any such agreement, duty or obligation, the University may institute such action as it may deem necessary to compel performance or recover damages for non-performance. Notwithstanding the foregoing, the Authority shall have no obligation to perform its obligations under the Loan Agreement to cause advances to be made to reimburse the University for, or to pay, the Costs of 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 University to make payments under the Loan Agreement are general obligations of the University secured by the Mortgage and the pledge of the Pledged Revenues.

(f) The University, if it is not then in default under the Loan Agreement, shall have the right to make voluntary payments in any amount to the Trustee. In the event of a voluntary payment, the amount so paid shall be deposited in the Debt Service Fund and applied in accordance with Section 5.06 of the Bond Resolution or held by the Trustee for the payment of Bonds in accordance with Section 12.01 of the Bond Resolution. Upon any voluntary payment by the University or any payment made pursuant to Section 23 hereof, 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 Section 12.01(b) of the Bond Resolution with respect to such Series of Bonds; provided, however, that in the event such voluntary payment is in the sole judgment of the Authority sufficient to pay all amounts then due under the Loan Agreement and under the Resolution, including the purchase or redemption of all Bonds Outstanding, or to pay or provide for the payment of all Bonds Outstanding in accordance with Section 12.01(b) of the Bond Resolution, the Authority agrees, in accordance with the instructions of the University, to direct the Trustee to purchase or redeem all Bonds Outstanding, or to cause all Bonds Outstanding to be paid or to be deemed paid in accordance with Section 12.01(b) of the Bond Resolution.

(g) For so long as the Debt Service Reserve Fund shall be funded in part by a surety provided by an insurer as Credit Facility Provider and such Credit Facility Provider is not in default under such surety, upon written notice from either the University or such Credit Facility Provider to the effect that the University is not then in compliance with the provisions of the agreement providing for such surety, the University agrees to comply with such Agreement.

*(Section 9)*

#### **Reserve Fund.**

Except to the extent a deposit is made to the Debt Service Reserve Fund upon the issuance of a Series of Bonds from the proceeds of the sale of such Bonds, simultaneously with the issuance of a Series of Bonds the University shall deliver to the Trustee for deposit in the Debt Service Reserve Fund moneys, Government

Obligations or Exempt Obligations, the value of which is at least equal to the Debt Service Reserve Fund Requirement. The University agrees that it will at all times maintain on deposit in the Debt Service Reserve Fund an amount at least equal to the Debt Service Reserve Fund Requirement; provided, however, that the University shall be required to deliver moneys, Government Obligations or Exempt Obligations to the Trustee for deposit in the Debt Service Reserve Fund as a result of a deficiency in such fund only after the notice is given.

Notwithstanding the foregoing, the University may deliver to the Trustee for deposit to the Debt Service Reserve Fund a Reserve Fund Facility or Reserve Fund Facilities for all or any part of the Debt Service Reserve Fund Requirement in accordance with and to the extent permitted by the Resolution.

*(Section 10)*

#### **Security Interest in Pledged Revenues.**

As security for the payment of all liabilities and the performance of all obligations of the University pursuant hereto and under the Reimbursement Agreement, the University does hereby continuously pledge, grant a security interest in, and assign to the Authority the Pledged Revenues, together with the University's right to receive and collect the Pledged Revenues and the proceeds of the Pledged Revenues. This pledge, grant of a security interest in and assignment of the Pledged Revenues shall be on a parity with the Parity Pledges.

*(Section 11)*

#### **Collection of Pledged Revenues.**

Commencing on the date on which Bonds are first issued and delivered and continuing until no Bonds are Outstanding, the University shall deliver to the Trustee for deposit in accordance with the Resolution all Pledged Revenues (other than the amounts paid with respect to the Parity Pledges) within ten (10) days following the University's receipt thereof unless and until there is on deposit in the Debt Service Fund an amount at least equal to the sum of (i) the interest coming due on or prior to the earlier of the next succeeding March 1 or September 1, assuming that Variable Interest Rate Bonds will, from and after the next succeeding date on which the rates at which such Variable Interest Rate Bonds bear interest are to be determined, bear interest at a rate per annum equal to the rate per annum at which such Variable Interest Rate Bonds then bear interest, plus one percent (1%) per annum, (ii) the principal and Sinking Fund Installments of Outstanding Bonds payable on and prior to the next succeeding September 1, and (iii) the Redemption Price or purchase price of Outstanding Bonds theretofore called for redemption or contracted to be purchased (other than Option Bonds tendered or deemed to have been tendered for purchase or redemption), and accrued interest thereon to the date of redemption or purchase.

Any Pledged Revenues collected by the University that are not required to be paid to the Trustee pursuant to the Loan Agreement shall be free and clear of the security interest granted by the Loan Agreement and may be disposed of by the University for any of its corporate purposes provided that no Event of Default nor any event which but for the passage of time or the receipt of notice or both would be an Event of Default has occurred and is continuing.

*(Section 12)*

#### **Mortgage**

At or before the delivery by the Authority of a Series of Bonds, the University shall execute and deliver to the Authority a Mortgage mortgaging the property subject to the Mortgage acceptable to the Authority, which Mortgage shall constitute a first lien on such property subject to the Mortgage, subject to the Permitted Encumbrances.

*(Section 13)*

### **Warranty of Title; Utilities and Access.**

The University warrants and represents to the Authority that (i) it has good and marketable title to each Project and all property subject to the Mortgage (and title insurance for the benefit of the Authority and the Trustee with respect to the properties subject to the Mortgage), free and clear of liens and encumbrances, except Permitted Encumbrances, so as to permit it to have quiet enjoyment and use thereof for purposes hereof and the University's programs and (ii) the University has 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 University of the Project.

*(Section 14)*

### **Consent to Pledge and Assignment.**

The University consents to and authorizes the assignment, transfer or pledge by the Authority to the Trustee and the Credit Facility Provider of the Authority's rights to receive any or all of the payments required to be made pursuant to Section 9(a) hereof, any or all security interests granted by the University under the Loan Agreement, including without limitation the Mortgage and the security interest in the Pledged Revenues given by the University pursuant to Section 10 hereof and all funds and accounts established by the Resolution and pledged under the Resolution, in each case to secure any payment or the performance of any obligation of the University under the Loan Agreement or arising out of the transactions contemplated hereby whether or not the right to enforce such payment or performance shall be specifically assigned by the Authority to the Trustee. The University further agrees that the Authority may pledge and assign to the Trustee and the Credit Facility Provider any and all of the Authority's rights and remedies under the Loan Agreement and to the Mortgage. Upon any pledge and assignment by the Authority to the Trustee and the Credit Facility Provider authorized by this Section, the Trustee and the Credit Facility Provider shall be fully vested with all of the rights of the Authority so assigned and pledged and may thereafter exercise or enforce, by any remedy provided therefor hereby or by law, any of such rights directly in its own name. Any such pledge and assignment shall be limited to securing the University's obligation to make all payments required hereby and by the Reimbursement Agreement and to performing all other obligations required to be performed by the University under the Loan Agreement and under the Reimbursement Agreement. Any realization upon any pledge made or security interest granted hereby shall not, by operation of law or otherwise, result in cancellation or termination hereof or the obligations of the University under the Loan Agreement.

*(Section 15)*

### **Additional Representation and Covenants.**

The University 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, the Mortgage and the Related Agreements, (B) to incur the indebtedness contemplated hereby and thereby and (C) to make the pledge of and grant the security interest in the Pledged Revenues given by the Loan Agreement, (ii) the Loan Agreement, the Mortgage and the Related Agreements constitute valid and binding obligations of the University enforceable in accordance with their terms and (iii) the execution and delivery of, consummation of the transaction contemplated by and performance of the University's obligations under the Loan Agreement, the Mortgage and each of the Related Agreements, including, but not limited to, the pledge of and security interest in the Pledged Revenues and the Government Obligations and Exempt Obligations made or granted pursuant to Section 11 hereof, do not violate, conflict with or constitute a default under the charter or by-laws of the University or any indenture, mortgage, trust, or other commitment or agreement to which the University 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 University or any of its properties.

The University warrants, represents and covenants (i) that the Pledged Revenues are and will be free and clear of any pledge, lien, charge, security interest or encumbrance thereon or with respect thereto, prior to, or of equal rank other than the Parity Pledges, with, the pledge thereof made pursuant hereto and (ii) that all

corporate action on the part of the University to authorize the pledge thereof and the granting of a security interest therein has been duly and validly taken. The University further covenants that it shall at all times, to the extent permitted by law, defend, preserve and protect such pledge and security interest and all of the rights of the Authority, the Credit Facility Providers and the Owners of Bonds thereunder against all claims and demands of all persons whomsoever.

*(Section 16)*

#### **Tax-Exempt Status of University.**

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

*(Section 17)*

#### **Maintenance of Corporate Existence.**

The University 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 hereby, 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 University, with the Credit Facility Providers’ 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.

*(Section 19)*

#### **Use and Possession of the Projects.**

Subject to the rights, duties and remedies of the Authority under the Loan Agreement, the University shall have sole and exclusive control and possession of and responsibility for (i) 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 hereby, the foregoing shall not prohibit use of a Project by persons other than the University or its students, staff or employees in furtherance of the University’s corporate purposes, if such use will not adversely affect the exclusion of interest on any Bonds from gross income for federal income tax purposes.

*(Section 21)*

### **Restrictions on Religious Use.**

The University 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 hereafter, in the opinion of Bond Counsel, the then applicable law would permit the Project or portion thereof to be used without regard to the above stated restriction, said restriction shall not apply to such Project and each portion thereof.

*(Section 22)*

### **Sale of the Project.**

The University covenants that it will not transfer, sell or convey a Project or any property subject to the Mortgages or any part thereof or interest therein, including development rights, without the prior approval of the Authority and Credit Facility Providers Consents, 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 University pays to the Trustee either for deposit into the Debt Service Fund, or, pursuant to the defeasance provisions of the Resolution, to be set aside or to purchase Defeasance Securities in accordance with the direction of the Authority, an amount equal to the greater of:

(xi) the amount, if any, which is sufficient to redeem or provide for payment in accordance with the Resolution of any Outstanding Bonds required to be redeemed or deemed paid in order to preserve the exclusion of interest on Bonds from gross income for federal income tax purposes; and

(xii) the lesser of (A) the net proceeds of such transfer, sale or conveyance or (B) a percentage of the Outstanding Bonds determined by dividing (1) the principal amount of Bonds issued to finance the portion of such Project or any property subject to the Mortgages being transferred, sold or conveyed (which principal amount shall be reasonably determined by the Authority) by (2) the aggregate principal amount of Bonds issued.

*(Section 23)*

### **Maintenance, Repair and Replacement.**

The University agrees that, throughout the term hereof, it shall, at its own expense, hold, operate and maintain each Project and any property subject to the Mortgage 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 University 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 24)*

### **Covenant as to Insurance.**

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

The University shall, with respect to each Project and any property subject to the Mortgage, 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:

(xiii) with respect to any building the construction of which shall not have been completed (and until insurance is procured pursuant to 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;

(xiv) at all times (except during a period when builders' risk insurance is in effect as required by 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 University insuring against the aforesaid hazards in an amount aggregating at least one hundred per centum (100%) of the insurable value of the insured property, exclusive of excavations and foundations and similar property normally excluded under New York standard forms, shall constitute complete compliance with the provisions of this paragraph with respect to such Project; provided, further, that in any event, each such policy shall be in an amount sufficient to prevent the University and the Authority from becoming co-insurers under the applicable terms of such policy;

(xv) 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;

(xvi) at all times, statutory disability benefits;

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

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

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

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

*(Section 25)*

### **Damage or Condemnation.**

In the event of a taking of a Project or the property subject to the Mortgage, the Assignment Agreement or the Intercreditor Agreement or any portion thereof by eminent domain or condemnation, or of damage or destruction affecting all or part thereof, all property casualty insurance, condemnation or eminent domain proceeds shall, if in excess of \$250,000 and not applied to reimburse the University for costs incurred to repair or restore the same and subject to the provisions of the Mortgage, the Assignment Agreement, the Intercreditor Agreement and the Reimbursement Agreement be paid to the Trustee for deposit in the Construction Fund.

*(Section 26)*

### **Taxes and Assessments.**

The University 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. The University shall file exemption certificates as required by law.

*(Section 27)*

### **Defaults and Remedies.**

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

(i) the University shall (A) default in the timely payment of certain amounts payable pursuant to or the payment of any other amounts required to be delivered or paid by or on behalf of the University in accordance with the Loan Agreement or with the Resolution.

(ii) the University defaults in the due and punctual performance of any other covenant contained in the Loan Agreement and such default continues for thirty (30) days after written notice requiring the same to be remedied shall have been given to the University by the Authority or the Trustee or, if such default is not capable of being cured within thirty (30) days, the University 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 University 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 Owners of the Bonds shall be seeking the enforcement of any remedy under the Resolution as a result thereof; or

(iv) The University 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 University, a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, or an order for relief shall be entered in any case or proceeding for liquidation or reorganization or otherwise to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of the University, or any petition for any such relief shall be filed against the University and such petition shall not be dismissed or stayed within ninety (90) days; or

- (vi) the charter of the University shall be suspended or revoked; or
  - (vii) a petition to dissolve the University shall be filed by the University with the Board of Regents of the University of the State of New York, the legislature of the State or other governmental authority having jurisdiction over the University; or
  - (viii) an order of dissolution of the University shall be made by the Board of Regents of the University of the State of New York, the legislature of the State or other governmental authority having jurisdiction over the University, which order shall remain undismissed or unstayed for an aggregate of thirty (30) days; 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 University 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 University, 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;
  - (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 University, which in the judgment of the Authority will adversely affect the rights of the Owners of the Bonds shall be rendered against the University 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 University shall not have taken and be diligently prosecuting an appeal therefrom or from the order, decree or process upon which or pursuant to which such judgment shall have been granted or entered, and shall not have caused, within 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;
  - (xii) the giving of notice by the Credit Facility Provider to the Authority and the Trustee of an Event of Default under and as defined in the Reimbursement Agreement and requesting the Trustee to direct a mandatory tender of the Bonds in accordance with the Bond Series Certificate with respect to the Bonds; or
  - (xiii) the University shall be in default under the Mortgage or an Event of Default shall have occurred under the Mortgage and such default or Event of Default continues beyond any applicable grace period.
- (b) Upon the occurrence of an Event of Default the Authority shall provide the Credit Facility Provider with written notice thereof and may take any one or more of the following actions, subject to the provisions of the Assignment Agreement and the Intercreditor Agreement:
- (i) declare all sums payable by the University 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 University may otherwise be entitled under the Loan Agreement and in the Authority's sole discretion apply any such proceeds or moneys for such purposes as are authorized by the Resolution;
  - (iii) withhold any or all further performance under the Loan Agreement;
  - (iv) maintain an action against the University under the Loan Agreement to recover any sums payable by the University or to require its compliance with the terms hereof;

(v) realize upon any pledge of or security interest in the Pledged Revenues and the rights to receive the same, or the Mortgages all to the extent provided in the Loan Agreement;

(vi) 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 University, consent to such entry being hereby given by the University, (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 University and not be bound by any limitations or requirements of time whether set forth under the Loan Agreement or otherwise, (C) assume any construction contract made by the University 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 University, 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, (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.

(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 under 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 31)*

#### **Compliance with Resolution.**

The University hereby approves of and agrees to the provisions of the Resolution. The Authority hereby agrees not to issue any Series of Bonds without the written consent of the University. The University agrees to do all things within its power in order to enable the Authority to comply with all requirements and to fulfill all covenants of the Resolution which require the University to comply with requests or obligations so that the Authority will not be in default in the performance of any covenant, condition, agreement or provision of the Resolution.

*(Section 32)*

#### **Arbitrage; Tax Exemption.**

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

*(Section 36)*

**Disclaimer of Personal Liability.**

No recourse shall be had against or liability incurred by any member, director, trustee, officer, official, counsel, consultant, employee or agent of the Authority or of the University or any person executing the Loan Agreement for any covenants and provisions of the Loan Agreement or for any claims based thereon.

*(Section 41)*

**Severability of Invalid Provisions.**

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

*(Section 42)*

**Further Assurances.**

The University, 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, the Pledged Revenues and other 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 University may hereafter become bound to pledge, assign or grant to the Authority pursuant to the Loan Agreement.

*(Section 43)*

**Amendments to Loan Agreement.**

The Loan Agreement may be amended only upon notice and with the prior written consent of the Credit Facility Providers in accordance with the Resolution and each amendment shall be made by an instrument in writing signed by the University and the Authority, an executed counterpart of which shall be filed with the Trustee. The University shall furnish to each Credit Facility Provider a complete transcript of all proceedings relating to an amendment to the Loan Agreement.

*(Section 44)*

**Termination.**

The Loan Agreement shall remain in full force and effect until no Bonds are Outstanding and until all other payments, expenses and fees payable under the Loan Agreement by the University shall have been made or provision made for the payment thereof.

*(Section 45)*

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**SUMMARY OF CERTAIN PROVISIONS  
OF THE RESOLUTION**

The following is a summary of certain provisions of the Resolution. Such summary does not purport to be complete and reference is made to the Resolution for full and complete statements of such and all provisions. Defined terms used herein shall have the meanings ascribed to them in Appendix A or in the body of this Reoffering Circular.

**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 Owners 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 Owners 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)*

**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 Owners of Bonds.

*(Section 2.05)*

**Pledge of Resolution**

The proceeds from the sale of the Bonds, the Revenues, the Authority's security interest in the Pledged Revenues and, except as otherwise provided in the Resolution, all funds and accounts established by the Resolution, other than the Arbitrage Rebate Fund and any fund established solely for the purposes of making payments to reimburse a Credit Facility Provider or Liquidity Facility Provider, are pledged and assigned to the Trustee as security for the payment of the principal and Redemption Price of and interest on the Bonds and as security for the performance of any other obligation of the Authority under the Resolution and under any Series Resolution, all in accordance with the provisions of the Resolution and any Series Resolution.

*(Section 5.01)*

**Establishment of Funds and Accounts**

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

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

All moneys at any time deposited in any fund, account or subaccount created and pledged by the Resolution or by any Series Resolution or Bond Series Certificate or required thereby to be created shall be held in trust for the benefit of the Owners of Bonds, but shall nevertheless be disbursed, allocated and applied solely for the uses and purposes provided in the Resolution; provided, however, that the proceeds derived from the remarketing of Option Bonds tendered or deemed to have been tendered for purchase or redemption in accordance with the Series Resolution authorizing the issuance of such Bonds or the Bond Series Certificate relating to such Bonds 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 Owners of Bonds other than such Option Bonds and are pledged 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 in accordance with the 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 Owners of Bonds other than the Bonds of the Series secured thereby as provided in such Series Resolution and are pledged solely thereto and no Owner of the Bonds of any other Series shall have any right or interest therein.

*(Section 5.02)*

#### **Application of Bond Proceeds and Allocation Thereof**

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

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

*(Section 5.03)*

#### **Application of Moneys in the Construction Fund**

As soon as practicable after the delivery of each Series of Bonds, the Trustee shall deposit in the Construction Fund the amount required to be deposited therein pursuant to the Series Resolution authorizing such Series or the Bond Series Certificate relating to such Series. In addition, the Authority shall pay over to the Trustee and the Trustee shall deposit in the Construction Fund any moneys paid to the Authority pursuant to the Resolution. The Trustee shall also deposit in the Construction Fund all amounts paid to it by the University 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.

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

*(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 August 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 September 1, including the interest estimated by the Authority to be payable on any Variable Interest Rate Bond on and prior to the next succeeding September 1, assuming that such Variable Interest Rate Bond will bear interest, from and after the next date on which the rate at which such Variable Interest Rate Bond bears interest is to be adjusted, at a rate per annum equal to the rate per annum at which such Bonds then bear interest, plus one percent (1%) per annum, (b) the Sinking Fund Installments of Outstanding Option Bonds and Variable Interest Rate Bonds payable on or prior to the next succeeding September 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 March 1, including the interest estimated by the Authority to be payable on any Variable Interest Rate Bond on and prior to the next succeeding March 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 then unpaid to each Facility Provider and to replenish each Debt Service Reserve Fund, if any, 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, all as required by the Resolution, (ii) all other expenditures reasonably and necessarily incurred by the Authority in connection with the financing of the Projects, including expenses incurred by the Authority to compel full and punctual performance of all the provisions of the Loan Agreement in accordance with the terms thereof, and (iii) any fees of the Authority; but only upon receipt by the Trustee of a certificate signed by an Authorized Officer of the Authority, stating in reasonable detail the amounts payable to the Authority pursuant to this paragraph Fourth.

The Trustee shall, promptly after making the above required payments, notify the Authority and the University of any balance of Revenues remaining on the immediately succeeding September 1. After making the above required payments, the balance, if any, of the Revenues then remaining shall, upon the direction of an Authorized Officer of the Authority, be paid by the Trustee to the Construction Fund or the Debt Service Fund, or paid to the University, in the respective amounts set forth in such direction, 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 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 this section shall be irrevocably pledged to and applied to such payments.

(b) Notwithstanding the provisions of paragraph (a) above, the Authority may, at any time subsequent to the first day of September of any Bond Year but in no event less than forty-five (45) days prior to the succeeding date on which a Sinking Fund Installment is scheduled to be due, direct the Trustee to purchase, with moneys on deposit in the Debt Service Fund, at a price not in excess of par plus interest accrued and unpaid to the date of such purchase, Term Bonds to be redeemed from such Sinking Fund Installment. Any Term Bond so purchased and any Term Bond purchased by the University and delivered to the Trustee in accordance with the Loan Agreement shall be canceled upon receipt thereof by the Trustee and evidence of such cancellation shall be given to the Authority. The principal amount of each Term Bond so canceled shall be credited against the Sinking Fund Installment due on such date; provided, however, that such Term Bond is canceled by the Trustee prior to the date on which notice of redemption is given.

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

*(Section 5.06)*

## **Debt Service Reserve Fund**

*There is no Debt Service Reserve Fund for the Reoffered Bonds.*

1. (a) The Trustee shall deposit to the credit of the appropriate account in the Debt Service Reserve Fund such proceeds of the sale of Bonds of the applicable series, if any, as shall be prescribed in the applicable Series Resolution or the applicable Bond Series Certificate, and any moneys, Government Obligations and Exempt Obligations as are delivered to the Trustee by the University for the purposes of the Debt Service Reserve Fund.

(b) In lieu of or in substitution for moneys, Government Obligations or Exempt Obligations otherwise required to be deposited in the Debt Service Reserve Fund established for a Series of Bonds, the Authority may

deposit or cause to be deposited with the Trustee a Reserve Fund Facility for the benefit of the Owners of the Bonds for all or any part of the Debt Service Reserve Fund Requirement; provided that any such surety bond or insurance policy shall be issued by an insurance company or association duly authorized to do business in the State (i) the claims paying ability of which is rated the highest rating accorded by a Rating Service or, if rated by A.M. Best & Company, is rated in the highest rating category by A.M. Best & Company or (ii) obligations insured by a surety bond or an insurance policy issued by such company or association are rated at the time such surety bond or insurance policy is delivered, without regard to qualification of such rating by symbols such as “+” or “-” or numerical notation, in the highest rating category by Moody’s and S&P or, if Outstanding Bonds of the applicable Series are not rated by Moody’s and S&P, by whichever of said rating services that then rates Outstanding Bonds; provided, further, that any such letter of credit shall be issued by 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 provision of law, a federal branch pursuant to the International Banking Act of 1978 or any successor provision of law or a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, the unsecured or uncollateralized long term debt obligations of which, or long term obligations secured or supported by a letter of credit issued by such person, are rated at the time such letter of credit is delivered, without regard to qualification of such rating by symbols such as “+” or “-” or numerical notation, in at least the second highest rating category by Moody’s and S&P or, if Outstanding Bonds of the applicable Series are not rated by Moody’s and S&P, by whichever of said rating services that then rates Outstanding Bonds; and provided further that the written consent from any applicable Credit Facility Provider to the delivery of such Reserve Fund Facility shall have been obtained.

In addition to the conditions and requirements set forth above, no Reserve Fund Facility shall be deposited in full or partial satisfaction of the Applicable Debt Service Reserve Fund Requirement unless the Trustee shall have received prior to such deposit (i) an opinion of counsel acceptable to the Credit Facility Provider to the effect that such Reserve Fund Facility has been duly authorized, executed and delivered by the Facility Provider thereof and is valid, binding and enforceable in accordance with its terms and (ii) in the event such Facility Provider is not a domestic entity, an opinion of foreign counsel in form and substance satisfactory to the Credit Facility Provider.

Each Reserve Fund Facility shall be payable (upon the giving of such notice as may be required thereby) on any date on which moneys are required to be withdrawn from the portion of the Debt Service Reserve Fund allocable to the Series of Bonds in question and such withdrawal cannot be made without drawing upon such letter of credit or obtaining payment under such surety bond or insurance policy.

For the purposes of this section and the “Computation of Assets of Certain Funds” section below, in computing the amount on deposit in a Debt Service Reserve Fund, a letter of credit, a surety bond or an insurance policy shall be valued at the amount available to be drawn or payable thereunder on the date of computation.

2. Moneys held for the credit of the portion of the Debt Service Reserve Fund allocable to the Series of Bonds in question shall be withdrawn by the Trustee and applied to the payment of interest, principal and Sinking Fund Installments allocable to the Series of Bonds in question at the times and in the amounts required to comply with the provisions of paragraph (a) under the “Debt Service Fund” section above provided that no payment under a Reserve Fund Facility shall be sought unless and until moneys are not available in the portion of the Debt Service Reserve Fund allocable to the Series of Bonds in question and the amount required to be withdrawn from such portion of the Debt Service Reserve Fund pursuant to this subdivision can not be withdrawn therefrom without obtaining payment under such Reserve Fund Facility; provided further, that, if more than one Reserve Fund Facility is held for the credit of the portion of the Debt Service Reserve Fund allocable to the Series of Bonds in question at the time moneys are to be withdrawn therefrom the Trustee shall obtain payment under each such Reserve Fund Facility pro rata based upon the respective amounts then available to be paid thereunder.

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

3. Moneys and investments held for the credit of the Debt Service Reserve Fund in excess of the Debt Service Reserve Fund Requirement shall be withdrawn by the Trustee and deposited, upon direction of the Authority, in the Arbitrage Rebate Fund, the Debt Service Fund and the Construction Fund or applied to the redemption of Bonds of the Series in accordance with such direction.

4. If, upon a valuation, the value of all moneys, Government Obligations and Exempt Obligations held for the credit of the portion of the Debt Service Reserve Fund allocable to the Series of Bonds in question is less than the that portion of the Debt Service Reserve Fund, the applicable Trustee shall immediately notify the Authority, the applicable Credit Facility Provider, each other applicable Facility Provider and the University of such deficiency. Such University shall, as soon as practicable, but in no event later than five (5) days after receipt of such notice, deliver to the Trustee moneys, Government Obligations or Exempt Obligations the value of which is sufficient to increase the amount in the portion of the Debt Service Reserve Fund allocable to the Series of Bonds in question to the Applicable Debt Service Reserve Fund Requirement.

*(Section 5.07)*

### **Arbitrage Rebate Fund**

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

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 5.11)*

### **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 section "Defeasance" section below for the payment of such Outstanding Bonds at the maturity or redemption dates thereof, the Trustee shall so notify the Authority and the University. Upon receipt of such notice, the Authority may (i) direct the Trustee to redeem all such Outstanding Bonds, whereupon the Trustee shall proceed to redeem or provide for the redemption of such Outstanding Bonds in the manner provided for redemption of such Bonds by the Resolution and by each Series Resolution, or (ii) give the

Trustee irrevocable instructions in accordance with paragraph (b) of the “Defeasance” section below and make provision for the payment of Outstanding Bonds at the maturity or redemption dates thereof in accordance with such instruction.

*(Section 5.12)*

### **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 5.13)*

### **Computation of Assets of Certain Funds**

The Trustee, as promptly as practicable (i) after the end of each calendar month, (ii) upon the request of the Authority or the Credit Facility Provider, (iii) upon the request of the University, but not more frequently than once a calendar month, and (iv) at such other times as may be necessary in connection with a withdrawal and deposit made pursuant to the Resolution, shall compute the value of the assets in the Debt Service Reserve Fund. Such value shall be computed, in the case of the requirement under (i) above, on the last day of each such month, in the case of a request pursuant to clause (ii) or (iii) above, at the date of such request, or, in the case of a withdrawal and deposit, at the date of such withdrawal and deposit. The Trustee shall notify the Authority, the Credit Facility Provider and the University as to the results of such computation and the amount by which the value of the assets in the Debt Service Reserve Fund exceeds or is less than the Debt Service Reserve Fund Requirement.

*(Section 5.14)*

### **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 Owners 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 to give security for the deposit of any moneys with them pursuant to “Debt Service Fund” section above or the “Defeasance” section below 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 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 hereto and the proceeds thereof may be reinvested as provided in this section. Except as otherwise provided in the Resolution, the Trustee shall sell at the best price obtainable, or present for redemption or exchange, any investment held by it pursuant hereto whenever it shall be necessary in order to provide moneys to meet any payment or transfer from the fund or account in which such investment is held. The Trustee shall advise the Authority and the University 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 paragraphs (a) and (b) of this section. 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)*

### **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)*

### **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 University, the Credit Facility Provider, the Trustee or of any Owner of a Bond or such owner's representative duly authorized in writing. The Trustee shall annually prepare a report which shall be furnished to the Authority, to each Facility Provider, to each Credit Facility Provider and to the University. 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, the Pledged 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 University**

The Authority shall take all legally available action to cause the University to perform fully all duties and acts and comply fully with the covenants of the University 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 deferral will not materially adversely affect the interests of the Owners 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 University 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 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 by the Resolution as its agent to maintain such office or agency for the registration, transfer or exchange of Bonds. The provisions of this section shall be subject to the provisions of the Resolution.

*(Section 7.09)*

### **Amendment of Loan Agreement**

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

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

(v) to prescribe further limitations and restrictions upon the University'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;

(vi) to surrender any right, power or privilege reserved to or conferred upon the University, if surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of University contained in the Loan Agreement; provided, however, that if the same would adversely affect the rights of a Credit Facility Provider, Liquidity Facility Provider or a Facility Provider, no amendment, change, modification, termination or waiver shall become effective until consented to in writing by the Credit Facility Provider, Liquidity Facility Provider and the Facility Provider affected thereby;

(vii) 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 the Loan Agreement;

(viii) to establish, amend or modify the Authority Fee or the Annual Administrative Fee payable by the University in connection with the Bonds of a Series; or

(ix) with the prior written consent of the Trustee and the Credit Facility Providers 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 Bondowners in any material respect.

(d) Notwithstanding the provisions of paragraph (a) of this section, the Loan Agreement may not be amended, changed, modified or terminated, nor may any provision thereof be waived, without the consent of the Owners of Outstanding Bonds as hereinafter provided, if such amendment, change, modification, termination or waiver (i) reduces the amount payable by the University 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 the Loan Agreement, (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 Bondowners or a Credit Facility Provider in any material respect.

No such amendment, change, modification, termination or waiver shall take effect unless the prior written consent of (a) the Owners 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 Owners 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 Owners of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this section.

(c) No amendment, change, modification or termination of the Loan Agreement, or waiver or a provision thereof shall be made other than pursuant to a written instrument signed by the parties thereto and subject to the written consent of the Credit Facility Providers. 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 Credit Facility Provider.

(d) For the purposes of this section, the purchasers of the Bonds of a Series, whether purchasing as underwriters, for resale or otherwise, upon such purchase, may consent to an amendment, change, modification, alteration or termination permitted by this section in the manner provided in the Resolution, except that no proof of ownership shall be required, and with the same effect as a consent given by the Owner 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.

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

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

*(Section 7.10)*

#### **Notice as to Event of Default under Loan Agreement**

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

*(Section 7.11)*

#### **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 Resolutions or Supplemental Resolution shall become effective in accordance with its terms upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of the Authority:

(e) 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;

(f) 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;

(g) 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;

(h) 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;

(i) 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;

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

(k) To provide rights and privileges of a Credit Facility Provider in addition to those set forth in the Resolution; or

(l) 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 Bondowners in any material respect.

In determining whether the interests of a Bondowner are adversely affected by an amendment or modification, such determination shall be made as if there were no insurance by an Insurer with respect to the Bonds.

*(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 Series Resolution or Supplemental Resolution, subject to the consent of the Bondowners and the prior written consent of the Credit Facility Providers in accordance with and subject to the provisions of the Resolution, such Series Resolution or 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 Series Resolution or Supplemental Resolution to the University upon its becoming effective.

*(Section 9.02)*

#### **Powers of Amendment**

Any modification or amendment of the Resolution and of the rights and obligations of the Authority and of the Owners 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, (i) of the Owners 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 Owners 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 Owners 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 Owners of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this section. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Insurer, if any, and the Owner of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Owners of which is required to effect any such modification or amendment. For the purposes of this section, a Series shall be deemed to be affected by a modification or amendment of the Resolution if the same adversely affects or diminishes the rights of the Owners 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 Owners 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 University upon its becoming effective.

*(Section 10.01)*

### **Consent of Bondowners**

The Authority may at any time adopt a Supplemental Resolution making a modification or amendment permitted by the provisions of the "Powers of Amendment" section above to take effect when and as provided in this section. 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 Bondowners for their consent thereto in form satisfactory to the Trustee, shall promptly after adoption be mailed by the Authority to the Bondowners (but failure to mail such copy and request to any particular Bondowner shall not affect the validity of the Supplemental Resolution when consented to as in this section provided). 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 Owners of the percentages of Outstanding Bonds specified in the "Powers of Amendment" section above 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 hereinafter provided. Each such consent shall be effective only if accompanied by proof of the holding or owning at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by the Resolution. A certificate or certificates by the Trustee filed with the Trustee that it has examined such proof and that such proof is sufficient in accordance with the Resolution shall be conclusive proof that the consents have been given by the Owners of the Bonds described in the certificate or certificates of the Trustee. Any consent given by the Owner of a Bond shall be binding upon the Bondowner giving such consent and, anything in the Resolution to the contrary notwithstanding, upon any subsequent Owner of such Bond and of any Bond issued in exchange therefor (whether or not such subsequent Owner thereof has notice thereof), unless such consent is revoked in writing by the Bondowner giving such consent or a subsequent Owner of such Bond by filing with the Trustee, prior to the time when the written statement of the Trustee hereinafter in this section provided for 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 Owners 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 Owners 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 Owners of the required percentages of Bonds and will be effective as provided in this section, shall be given to the Bondowners by the Authority by mailing such notice to the Bondowners and, at the discretion of the Authority, by publishing the same at least once not more than ninety (90) days after the Owners of the required percentages of Bonds shall have filed their consents to the Supplemental Resolution and the written statement of the Trustee hereinabove provided for is filed (but failure to publish such notice shall not prevent such Supplemental Resolution from becoming effective and binding as in this section provided). The Authority shall file with the Trustee proof of the mailing of such notice, and, if the same shall have been published, of the publication thereof. A transcript, consisting of the papers required or permitted by this section 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 Credit Facility Provider or Liquidity Facility Provider and the Owners 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 and the Trustee 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.

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 “Powers of Amendment” section above or the “Modifications by Unanimous Consent” section below 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 Owner 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 Owners 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 Owners of all of the Bonds then Outstanding, such consent to be given as provided in the “Consent of Bondowners” section above, except that no notice to the Bondowners either by mailing or publication shall be required.

*(Section 10.03)*

### **Events of Default**

An event of default shall exist under the Resolution and under each Series Resolution if:

- (m) 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
- (n) 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
- (o) 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
- (p) 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 Owners 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
- (q) An Event of Default under the Loan Agreement, arising out of or resulting from the failure of the University to comply with the requirements of the Loan Agreement, shall have occurred and is continuing and all sums payable by the University under the Loan Agreement shall have been declared to be immediately due and payable, which declaration shall not have been annulled.

*(Section 11.02)*

## **Acceleration of Maturity**

Upon the happening and continuance of any Event of Default specified in the “Events of Default” section above, other than an Event of Default specified in paragraph (c) of the “Events of Default” section above, then and in every such case the Trustee upon the written request the Owners 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. 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 before the completion of the enforcement of any other remedy under the Resolution, the Trustee may, with the written consent of the Owners 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; (iii) all other amounts then payable by the Authority under the Resolution and under each Series Resolution (other than principal amounts payable only because of a declaration and acceleration under this section) shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee; and (iv) every other default known to the Trustee in the observance or performance of any covenant, condition or agreement contained in the Resolution 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 under this section) 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 “Events of Default” section above, then and in every such case, the Trustee may proceed, and upon the written request of the Credit Facility Provider or of the Owners 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 paragraph (c) of the “Events of Default” section above, upon the written request of the Owners 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) to protect and enforce its rights and the rights of the Bondowners under the Resolution or of such Credit 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 granted in the Resolution or Series Resolution, or for an accounting against the Authority as if the Authority were the trustee of an express trust, or for the enforcement of any proper legal or equitable remedy as the Trustee shall deem most effectual to protect and enforce such rights.

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

### **Bondowners' Direction of Proceedings**

Anything in the Resolution to the contrary notwithstanding, the Owners of a majority in principal amount of the Outstanding Bonds, or, in the case of an Event of Default specified in paragraph (c) of the "Events of Default" section above, the Owners of a majority in principal amount of the Outstanding Bonds of the Series affected thereby, shall have the right, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee under the Resolution and under each Series Resolution, provided, such direction shall not be otherwise than in accordance with law and the provisions of the Resolution and of each Series Resolution, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondowners not parties to such direction.

*(Section 11.07)*

### **Limitation of Rights of Individual Bondowners**

Neither the Owner of any of the Bonds nor the Credit Facility Provider 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 Owner or Credit Facility Provider 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 Owners 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 paragraph (c) of the "Events of Default" section above, the Owners 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 by the Resolution in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of the Resolution or for any other remedy under the Resolution and in equity or at law. It is understood and intended that no one or more Credit Facility Providers or Owners of the Bonds secured by the Resolution shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the Resolution or to enforce any right under the Resolution except in the manner provided in the Resolution, and that all proceedings at law or in equity shall be instituted and maintained for the benefit of all Owners of the Outstanding Bonds. Notwithstanding any other provision of the Resolution, the Owner 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 Owner.

*(Section 11.08)*

### **Intervention in Proceedings**

Subject to the conditions in the Resolution, the Trustee shall, at the request of a Credit Facility Provider, seek to intervene on behalf of the Owners of the Bonds in any action or proceeding in which the validity of or security for the Bonds is in issue and defend, preserve and protect all of the rights of the Bondowners under the Resolution.

*(Section 11.14)*

### **Defeasance**

(a) If the Authority shall pay or cause to be paid to the Owners 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; fourth, to the Credit Facility Providers any amounts then due or past due; fifth, to the Liquidity Facility Providers any amounts then due or past due; and, then, the balance thereof to the University. 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 paragraph (a) of this section. 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 paragraph (a) of this section 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 Owners 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 Owners of such Bonds that the deposit required by clause (ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on said Bonds. The Authority shall give written notice to the Trustee of its selection of the Series and maturity the payment of which is to be made in accordance with this section. The Trustee shall select the Bonds of like Series, Sub-Series and maturity payment of which shall be made in accordance with this section in the manner provided in the Resolution. Neither the Defeasance Securities nor moneys deposited with the Trustee pursuant to this section nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on 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, 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; fourth, to the Credit Facility Providers any amounts then due or past due; fifth, to the Liquidity Facility Providers any amounts then due or past due; and, then, the balance thereof to the University, and any such moneys so paid by the Trustee shall be released of any trust, pledge, lien, encumbrance or security interest created by the Resolution or by the Loan Agreement.

(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 clause (ii) of the second sentence of paragraph (b) of this section, the interest to come due on such Variable Interest Rate Bonds on or prior to the maturity date or redemption date thereof, as the case may be, shall be calculated at the Maximum Interest Rate permitted by the terms thereof; provided, however, that if on any date, as a result of such Variable Interest Rate Bonds having borne interest at less than such Maximum Interest Rate for any period, the total amount of moneys and Defeasance Securities on deposit with the Trustee for the payment of interest on such Variable Interest Rate Bonds is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of such Variable Interest Rate Bonds in order to satisfy clause (ii) of the second sentence of paragraph (b) of this section, 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 University, and any such moneys so paid by the Trustee shall be released of any trust, pledge, lien, encumbrance or security interest created by the Resolution or by the Loan Agreement.

(d) Option Bonds shall be deemed to have been paid in accordance with clause (ii) of the second sentence of 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 Owners of such Bonds upon the exercise of any options provided to the Owners of such Bonds; provided, however, that if, at the time a deposit is made with the Trustee pursuant to paragraph (b) of this section, the options originally exercisable by the Owner of an Option Bond are no longer exercisable, such Bond shall not be considered an Option Bond for purposes of this paragraph (d). 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; fourth, to the Credit Facility Providers any amounts then due or past due; fifth, to the Liquidity Facility Providers any amounts then due or past due; and, then, the balance thereof to the University, and any such moneys so paid by the Trustee shall be released of any trust, pledge, lien, encumbrance or security interest created by the Resolution or by the Loan Agreement.

(e) Anything in the Resolution to the contrary notwithstanding, any moneys held by the Trustee in trust for the payment and discharge of any of the Bonds of a Series or the interest thereon which remain unclaimed for one (1) year after the date when all of the Bonds of such Series have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Trustee at such date, or for one (1) year after the date of deposit of such moneys if deposited with the Trustee after 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 to the Authority as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners 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 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 a Credit Facility Provider pursuant to the financial guaranty insurance policy or other instrument issued with respect to such Bond has paid the principal or Sinking Fund Installment thereof or the installment of interest thereon.

(g) The defeasance of any Bonds is subject to the prior written consent of the Credit Facility Provider with respect to any Series of such Bonds that are credit enhanced by the Credit Facility Provider.

*(Section 12.01)*

### **Consent of Credit Facility Provider**

Any provision of this Resolution expressly recognizing or granting rights in or to a Credit Facility Provider may not be amended in any manner which affects the rights of such Credit Facility Provider hereunder without the prior written consent of the Credit Facility Provider.

*(Section 14.02)*

### **Termination of Provider's Rights**

Whenever by or pursuant to the terms of the Resolution the consent or approval of a Credit Facility Provider, Liquidity Facility Provider or Facility Provider is required or such a provider, alone or together with any other such provider or the Owners of Bonds of a Series, is authorized to request or direct the Trustee to take any action, such consent or approval shall not be required and the Trustee shall not be obligated to comply with such request or direction if such Provider is then in default in its payment obligations under the provisions of the Credit Facility, Liquidity Facility or Reserve Fund Facility issued by such Provider. Nothing contained in the Resolution shall limit or impair the rights of the Owners of Bonds of a Series to give any consent or approval or to request or direct the Trustee to take any action and, if a Provider is then in default under such Credit Facility, Liquidity Facility or Reserve Fund Facility, such consent or approval shall be effective without the consent or approval of such Provider otherwise required by the Resolution and the Trustee shall comply with such request or direction notwithstanding that such request or direction is required to be made or given together with such Provider.

*(Section 14.04)*

### **Certain Provisions Relating to Capital Appreciation Bonds and Deferred Income Bonds**

(a) For the purposes of (i) receiving payment of the Redemption Price if a Capital Appreciation Bond is redeemed prior to maturity, (ii) receiving payment of a Capital Appreciation Bond following an "event of default", as provided in the Resolution or (iii) computing the principal amount of Bonds held by the registered owner of a Capital Appreciation Bond in giving to the Authority, the University or the Trustee any notice, consent, request, or demand pursuant hereto for any purpose whatsoever, the then current Accreted Amount of such Bond shall be deemed to be its principal amount. Notwithstanding any other provision of the Resolution, the amount payable at any time with respect to the principal of and interest on any Capital Appreciation Bond shall not exceed the Accreted Amount thereof at such time. For purposes of receiving payment of the Redemption Price or principal of a Capital Appreciation Bond called for redemption prior to maturity or the principal of which has been declared to be immediately due and payable pursuant to the "Acceleration of Maturity" section above, the difference between the Accreted Value of such Bond when the Redemption Price or principal thereof is due upon such redemption or declaration and the principal of such Bond on the date the Bonds of the Series of which it is a part were first issued shall be deemed not to be accrued and unpaid interest thereon.

(b) For the purposes of (i) receiving payment of the Redemption Price if a Deferred Income Bond is redeemed, or (ii) receiving payment of a Deferred Income Bond following an "event of default," as provided in the

Resolution or (iii) computing the principal amount of Bonds held by the registered owner of a Deferred Income Bond in giving to the Authority or the Trustee any notice, consent, request, or demand pursuant to the Resolution for any purpose whatsoever, the then current Appreciated Amount of such Bond shall be deemed to be its principal amount. Notwithstanding any other provision of the Resolution, the amount payable at any time prior to the Interest Commencement Date with respect to the principal of and interest on any Deferred Income Bond shall not exceed the Appreciated Amount thereof at such time. For purposes of receiving payment prior to the Interest Commencement Date of the Redemption Price or principal of a Deferred Income Bond called for redemption prior to maturity or the principal of which has been declared to be immediately due and payable pursuant to the “Acceleration of Maturity” section above, the difference between the Appreciated Amount of such Bond when the Redemption Price or principal thereof is due upon such redemption or declaration and the principal of such Bond on the date the Bonds were first issued shall be deemed not to be accrued and unpaid interest thereon.

*(Section 15.08)*

**SUMMARY OF CERTAIN PROVISIONS  
OF THE REIMBURSEMENT AGREEMENT**

SUMMARY OF THE REIMBURSEMENT AGREEMENT

The following is a summary of certain provisions of the Reimbursement Agreement to which reference is made for the complete provisions thereof. All terms used in this summary and not defined in this Reoffering Circular have the respective meanings ascribed to such terms in the Reimbursement Agreement.

The occurrence of any of the following events shall be an Event of Default as said term is used herein:

(i) failure by the University to reimburse or pay any Letter of Credit Bank for any Drawing under the Letters of Credit on the date when due, or to pay any other amount payable pursuant to the Reimbursement Agreement, any Collateral Document, any other agreement, undertaking or instrument benefiting the Letter of Credit Banks or under any Bond Document on the date when due; or

(ii) failure by the University to observe or perform any of the covenants set forth on Schedule III attached to the Reimbursement Agreement or the covenants set forth in Section 6.1(c), (d), (i), (m), (r), (s) or (u) of the Reimbursement Agreement ; or

(iii) failure by the University to observe or perform any other term, condition, covenant or agreement set forth in the Reimbursement Agreement or the other Collateral Documents or Bond Documents to be observed or performed by the University (and not constituting an Event of Default under any of the preceding or following provisions of Section VII of the Reimbursement Agreement) and such failure continues for a period of thirty (30) or more days after (i) written notice thereof to the University from the Letter of Credit Banks or (ii) the Letter of Credit Banks are notified of such failure, or should have been notified of such failure by the Prior Bond Trustee or the Trustee, as the case may be, the University, pursuant to the terms of the Reimbursement Agreement, the Bond Documents or any Collateral Document; or

(iv) any representation, warranty or statement made or deemed made by or on behalf of the University in the Reimbursement Agreement or the other Collateral Documents or Bond Documents or which is contained in any certificate, document or financial or other statement furnished at any time under or in connection with the Reimbursement Agreement, any Collateral Document or Bond Documents shall prove to have been materially misleading or incorrect in any material respect when made or deemed made; or

(v) any provision of the Reimbursement Agreement shall for any reason cease to be valid and binding on the University or in full force and effect or the University or any other Person shall so assert in writing; or

(vi) the University shall (i) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator or other similar official of itself or of all or a substantial part of its Property, (ii) admit in writing its inability, or be generally unable, to pay its debts as they become due, (iii) make a general assignment for the benefit of creditors, (iv) commence a voluntary case, proceeding or other action under any existing or future law of any jurisdiction, domestic or foreign relating to bankruptcy, insolvency, reorganization or relief of debtors, seek to have an order of relief entered with respect to it or seek to adjudicate it a bankrupt or insolvent, or seek reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to its debts, or (v) take any corporate action for the purpose of effecting any of the foregoing; or

(vii) a case, proceeding or other action shall be commenced without the application or consent of the University, in any court of competent jurisdiction, seeking the liquidation or readjustment of debts, the appointment of a trustee, receiver, custodian, liquidator or the like of the University, or of all or any substantial part of its assets, or any similar action with respect to the University, under any existing or future law of any jurisdiction, domestic or foreign relating to bankruptcy, insolvency, reorganization or relief of debtors and such case, proceeding or other action shall continue undismitted, or unstayed and in effect, for a period of sixty (60) days, or an order for relief against the University, shall be entered in any such involuntary case, proceeding or other action or the University, shall take any action in furtherance of, or indicating its consent to, approval of or acquiescence in any of the actions described above; or

(viii) unless waived by the Letter of Credit Banks, in writing, (i) any Event of Default, however defined, shall have occurred and be continuing under any Collateral Document or with respect to any obligation of the University under any Bond Document, or (ii) the University fails to comply with any covenant or financial obligation set forth in the Collateral Documents or the Bond Documents, or (iii) any representation or warranty made or deemed made by the University in the Collateral Documents or the Bond Documents or which is contained in any exhibit, schedule or any other document or other statement furnished at any time under or in connection with the Collateral Documents, the Bond Documents or any of the other documents, instruments or certificates furnished by the University in connection therewith shall prove to have been incorrect in any material respect on or as of the date made or deemed made; or

(ix) a final judgment for an amount not otherwise covered by insurance, in excess of \$100,000.00 (which the Letter of Credit Banks determine to not be covered by insurance or as to which the insurer has given notice of a denial of coverage) is rendered against the University and, within ten (10) days after entry thereof, such judgment has not been discharged or execution thereof stayed pending appeal or if, within ten (10) days after the expiration of any such stay, such judgment has not been discharged; or

(x) at any time any Liabilities, other than the Liabilities created under the Reimbursement Agreement are not paid when due (whether at original maturity or as a result of acceleration by reason of the happening of an event of default, howsoever described, unless such event of default has been unconditionally waived for no consideration) and any originally stated applicable period of grace in respect thereof shall have expired, except in the event that the event of default has been objected to by the University before a court with jurisdiction to hear or determine the validity of such dispute, and University shall present a bond in an amount reasonably satisfactory to the Letter of Credit Banks to cover any such liabilities; or

(xi) any of the following events occurs or exists with respect to either the University or any ERISA Affiliate: (i) any Prohibited Transaction involving any Plan; (ii) any Reportable Event with respect to any Plan; (iii) the filing under Section 4041 of ERISA of a notice of intent to terminate any Plan or the termination of any Plan; (iv) any event or circumstance that might constitute grounds entitling the PBGC to institute proceedings under Section 4042 of ERISA for the termination of, or for the appointment of a trustee to administer, any Plan, or the institution by the PBGC of any such proceedings; (v) complete or partial withdrawal under Section 4201 or 4202 of ERISA from a Multi-employer Plan or the reorganization, insolvency, or termination of any Multi-employer Plan; and in each case above, such event or condition, together with all other events or conditions, if any, could in the opinion of the Letter of Credit Banks subject the University to any tax, penalty, or other liability to a Plan, a Multi-employer Plan, the PBGC or otherwise (or any combination thereof) which in the aggregate would have a Material Adverse Effect; or

(xii) the University ceases or threatens to cease to carry on the business it carries on at the date of the Reimbursement Agreement or any substantial part thereof; or

(xiii) any event occurs which results in a Material Adverse Effect; or

(xiv) any Liens created by any of the Collateral Documents or Bond Documents, as the case may be, shall for any reason cease to be valid, perfected, security interests or mortgage lien of the required priority in favor of the Letter of Credit Banks, the Authority, the Prior Bond Trustee or the Trustee, as the case may be (except with respect to Financing Statements that have lapsed because the Letter of Credit Banks, the Authority, the Prior Bond Trustee or the Trustee, as the case may be, have failed to file a continuation statement on time; or

(xv) An “Event of Default” occurs under the Bond Series Certificate or a default or event of default otherwise occurs under any other Bond Document (subject to any applicable notice and cure provisions contained in the Bond Documents); or

(xvi) An Environmental Event shall have occurred that in the reasonable opinion of the Letter of Credit Banks has or is likely to have a Material Adverse Effect;

then, upon the occurrence of (A) any event specified in subsection (vi) or (vii) above: (i) automatically all amounts due under the Reimbursement Agreement in respect of Drawings made or available to be made under the Letters of Credit or otherwise shall immediately become due and payable, without the giving of notice of any kind, and (ii) either Letter of Credit Bank (or a Disproportionately Exposed Bank pursuant to Section 8.23 of the Reimbursement Agreement) may proceed to enforce all other remedies available to it under applicable law, and (B) any Event of Default (other than any event specified in subsection (vi) or (vii) above), either Letter of Credit Bank (or a Disproportionately Exposed Bank pursuant to Section 8.23 of the Reimbursement Agreement), at its election, may: (i) declare all amounts due under the Reimbursement Agreement in respect of Drawings made under the respective Letter of Credit or otherwise to be immediately due and payable, whereupon the same shall immediately become due and payable, (ii) request in writing that the Trustee in accordance with the Bond Series Certificate call a mandatory tender of the applicable Bonds, (iii) require the University to deposit cash and/or securities with such Letter of Credit Bank in an amount satisfactory to such Letter of Credit Bank, and/or (iv) proceed to enforce all other remedies available to it under the Collateral Documents, Bond Documents and under applicable law. Except as expressly provided above in Section VII of the Reimbursement Agreement, presentment, demand, protest and all other notices of any kind are hereby expressly waived by the University. In the event that any amount is deposited with either Letter of Credit Bank pursuant to the clause (B)(iii) above, the yield on such amount shall not exceed the yield on the investment of the Bonds, computed in accordance with Treasury Regulation 1.148, unless the University and such Letter of Credit Bank receives an opinion of nationally recognized bond counsel selected by the University and satisfactory to such Letter of Credit Bank that the investment of such amount at a higher yield will not affect adversely the exclusion of interest on the Bonds from the gross income of the owners thereof for federal income tax purposes.

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OPINION OF BOND COUNSEL

Upon the original issuance of the Reoffered Bonds, Orrick, Herrington & Sutcliffe LLP, Bond Counsel in connection with the issuance of the Reoffered Bonds, delivered a final approving opinion in substantially the following form:

November 9, 2006

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

Re: Dormitory Authority of the State of New York Long Island University  
Insured Revenue Bonds, Series 2006A

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Dormitory Authority of the State of New York (the "Authority") of \$72,600,000 aggregate principal amount of Long Island University Insured Revenue Bonds, Series 2006A (the "Bonds"), issued pursuant to the provisions of the Dormitory Authority Act, as amended, constituting Chapter 524 of the Laws of 1944 of New York, as amended (constituting Title 4 of Article 8 of the New York Public Authorities Law), and the Authority's Long Island University Insured Revenue Bond Resolution, adopted on July 26, 2006 (the "Resolution"), as amended and supplemented by the Series 2006A Resolution Authorizing up to \$74,000,000 Long Island University Insured Revenue Bonds, Series 2006A (the "Series 2006A Resolution") adopted on July 26, 2006. The Resolution, together with the Series 2006A Resolution are herein collectively referred to as the "Resolutions." Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Resolutions.

The Authority has entered into a Loan Agreement with Long Island University (the "University"), dated as of July 26, 2006 (the "Loan Agreement"), providing, among other things, for a loan to the University for the purposes permitted thereby and by the Resolutions. Pursuant to the Loan Agreement, the University is required to make payments sufficient to pay the principal, sinking fund installments and redemption price of and interest on the Bonds as the same become due, which payments have been pledged by the Authority to the Trustee for the benefit of the owners of the Bonds.

The Bonds are to mature on the dates and in the years and amounts and interest on the Bonds is payable at the rates and in the amounts set forth in the Bond Series Certificate executed and delivered pursuant to the Resolutions concurrently with the issuance of the Bonds.

The Bonds are to be issued initially in fully registered form in the denomination of \$100,000 and any integral multiple of \$5,000 in excess thereof. The Bonds are payable, subject to redemption prior to maturity, exchangeable, transferable and secured upon such terms and conditions as are contained in the Resolutions and the Bond Series Certificate.

In such connection, we have reviewed the Resolutions, the Loan Agreement, the Tax Certificate and Agreement dated as of the date hereof (the "Tax Certificate and Agreement") between the Authority and the University, opinions of counsel to the Authority and the University, certificates of the Authority, the Trustee, the

University and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

We have relied on the opinion of counsel to the University, Morritt Hock Hamroff & Horowitz, LLP, regarding, among other matters, the current qualification of the University as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code") and the use of the facilities financed with the proceeds of the Bonds in activities that are not considered unrelated trade or business activities of the University within the meaning of Section 513 of the Code. We note that such opinion is subject to a number of qualifications and limitations. Failure of the University to be organized and operated in accordance with the Internal Revenue Service's requirements for the maintenance of its status as an organization described in Section 501(c)(3) of the Code, or use of the bond-financed facilities in activities that are considered unrelated trade or business activities of the University within the meaning of Section 513 of the Code, may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of issuance of the Bonds.

The interest rate mode and certain agreements, requirements and procedures contained or referred to in the Resolutions, the Loan Agreement, the Tax Certificate and Agreement and other relevant documents may be changed and certain actions (including, without limitation, defeasance of Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. No opinion with respect to the exclusion of interest on the Bonds from gross income for federal income tax purposes is expressed herein as to any Bond or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of counsel other than ourselves.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. We disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the Authority. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents and certificates, and of the legal conclusions contained in the opinions, referred to above. Furthermore, we have assumed compliance with all covenants and agreements contained in the Resolutions, the Loan Agreement and the Tax Certificate and Agreement, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Bonds to be included in gross income for federal income tax purposes. In addition, we have assumed that actions of the University and other persons will not cause any of the Bonds to exceed the \$150 million limitation on qualified 501(c)(3) bonds that do not finance hospital facilities set forth in Section 145(b) of the Code. We call attention to the fact that the rights and obligations under the Bonds, the Resolutions, the Loan Agreement and the Tax Certificate and Agreement and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles and to the exercise of judicial discretion in appropriate cases. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum or waiver provisions contained in the foregoing documents. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Bonds and express no opinion with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Authority has been duly created and is validly existing as a body corporate and politic constituting a public benefit corporation of the State of New York.
2. The Bonds have been duly and validly authorized to be issued and constitute the valid and binding special obligations of the Authority enforceable in accordance with their terms and the terms of the Resolutions, will be payable solely from the sources provided therefor in the Resolutions, and will be entitled to the benefit of the Resolutions and the Act.

3. The Resolutions are in full force and effect, have been duly adopted by, and constitute the valid and binding obligations of, the Authority. The Resolutions create a valid pledge, to secure the payment of the principal of and interest on the Bonds, of the Revenues and any other amounts (including proceeds of the sale of the Bonds) held by the Trustee in any fund or account established pursuant to the Resolutions, except the Arbitrage Rebate Fund and the Purchase and Remarketing Fund, subject to the provisions of the Resolutions permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolutions.

4. The Loan Agreement has been duly executed and delivered by the Authority and, assuming due execution and delivery thereof by the University, constitutes a valid and binding agreement of the Authority in accordance with its terms.

5. The Bonds are not a lien or charge upon the funds or property of the Authority except to the extent of the aforementioned pledge. Neither the faith and credit nor the taxing power of the State of New York or of any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds. The Bonds are not a debt of the State of New York, and said State is not liable for the payment thereof.

6. Interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. Interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although we observe that it is included in adjusted current earnings in calculating corporate alternative minimum taxable income. Interest on the Bonds is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). We express no opinion regarding other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

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**PROPOSED FORM OF OPINION OF BOND COUNSEL**

As of the Conversion Date, Orrick, Herrington & Sutcliffe LLP, Bond Counsel with respect to the reoffering of the Reoffered Bonds, proposes to issue a supplemental opinion in substantially the following form:

[DATE]

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

Re: Dormitory Authority of the State of New York  
Long Island University Revenue Bonds, Series 2006A (the "Bonds")

Ladies and Gentlemen:

The Bonds in the aggregate principal amount of \$72,600,000 were issued by Dormitory Authority of the State of New York (the "Issuer") on November 9, 2006, pursuant to the Issuer's Long Island University Insured Revenue Bond Resolution, as amended and supplemented by the Series 2006A Resolution Authorizing up to \$74,000,000 Long Island University Insured Revenue Bonds Series 2006A, each adopted on July 26, 2006, (the "2006 Resolutions", and as amended and supplemented to the date hereof, the "Resolutions"). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Resolutions.

Pursuant to Section 7.02 of the Bond Series Certificate the Liquidity Facility with respect to the Outstanding Bonds (in the aggregate principal amount of \$72,015,000) are being substituted with Credit Facilities and Liquidity Facilities provided by Allied Irish Banks, p.l.c., New York Branch, and RBS Citizens, N.A.. In connection with such substitution, the 2006 Resolutions are being amended and supplemented to provide for such substitution and the release of the financial guarantee insurance policy with respect to the Bonds. In connection with such substitution and related matters, as bond counsel to the Issuer, we have reviewed the Resolutions, certificates of the Issuer, the Trustee, and others and such other documents, opinions and matters to the extent we deemed necessary to render the opinion set forth herein.

The opinion expressed herein is based on an analysis of existing laws, regulations, rulings and court decisions and covers certain matters not directly addressed by such authorities. Such opinion may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof, and we disclaim any obligation to update this opinion. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any party other than the Issuer. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Resolutions and the Tax Certificate and Agreement, including (without limitation) covenants and agreements compliance with which is necessary to assure that actions, omissions or events on and after the date of issuance of the Bonds have not caused and will not cause

interest on the Bonds to be included in gross income for federal income tax purposes. We have not undertaken to determine compliance with any of such covenants and agreements or any other requirements of law, and, except as expressly set forth below, we have not otherwise reviewed any actions, omissions or events occurring after the date of issuance of the Bonds or the exclusion of interest on the Bonds from gross income for federal income tax purposes. Accordingly, no opinion is expressed herein as to whether interest on the Bonds is excludable from gross income for federal income tax purposes or as to any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. Nothing in this letter should imply that we have considered or in any manner reaffirm any of the matters covered in any opinion we rendered on the date of or in connection with issuance of the Bonds. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the offering document, dated \_\_\_\_\_, \_\_\_\_, or other offering material relating to the Bonds and express no opinion with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the opinion that the aforementioned substitution and adoption and implementation of such supplements and amendments in accordance with the provisions of the Resolutions will not, in and of itself, adversely affect any exclusion of interest on the Bonds from gross income for purposes of federal income taxation.

This opinion is furnished by us as bond counsel to the Issuer solely for purposes of Section 7.02 of the Bond Series Certificate. No attorney-client relationship has existed or exists between our firm and the Trustee or our firm and the Remarketing Agent in connection with the Bonds or by virtue of this opinion, and we disclaim any obligation to update this opinion. This opinion is delivered to the addressee hereof pursuant to the Resolutions and is not to be used or relied upon for any other purpose or by any person. This opinion is not intended to, and may not, be relied upon by owners of Bonds or any other party to whom it is not specifically addressed.

Very truly yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

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