



\$40,500,000
DORMITORY AUTHORITY OF THE STATE OF NEW YORK
NEW YORK LAW SCHOOL REVENUE BONDS, SERIES 2009
(LETTER OF CREDIT SECURED)

Dated: Date of Delivery

PRICE: 100%

CUSIP NO. 649905 GM2

Due: July 1, 2038

Payment and Security: The New York Law School Revenue Bonds, Series 2009 (Letter of Credit Secured) (the "Series 2009 Bonds") are special obligations of the Dormitory Authority of the State of New York (the "Authority") payable from certain payments to be made by the Bank under the Letter of Credit (as defined herein) and, if such amounts are insufficient, the Revenues (as defined herein) and are secured by a pledge of (i) certain payments to be made under the Loan Agreement dated as of April 29, 2009, between New York Law School ("NYLS," or the "School") and the Authority and (ii) all funds and accounts (except the Arbitrage Rebate Fund or any fund or account established for the payment of the Purchase Price or Redemption Price of Option Bonds tendered for purchase or redemption) established for the Series 2009 Bonds under the Authority's New York Law School Revenue Bond Resolution, adopted April 29, 2009 (the "Resolution"), the Series Resolution, adopted April 29, 2009, authorizing the Series 2009 Bonds (the "Series 2009 Resolution" and together with the Resolution, the "Resolutions") and the Series 2009 Bond Series Certificate.

The Loan Agreement is a general obligation of the School and requires the School to pay, in addition to the fees and expenses of the Authority and the Trustee, amounts sufficient to pay the principal, Sinking Fund Installments and Redemption Price of and interest on the Series 2009 Bonds, as such payments become due. The obligations of the School under the Loan Agreement to make such payments will be secured by a pledge of certain revenues of the School. The Authority's interest in the Loan Agreement will be assigned to the Trustee for the benefit of the Series 2009 Bondholders and the Bank (subject to certain reserved rights).

Principal, Sinking Fund Installments of, purchase price of and interest on the Series 2009 Bonds will be payable from amounts drawn under an irrevocable direct pay letter of credit (the "Letter of Credit") issued by TD Bank, N.A.



(the "Bank"), held by U.S. Bank, National Association, as trustee (the "Trustee"). The Letter of Credit provides for payment of an amount not to exceed the principal of and up to 34 days' interest on the Series 2009 Bonds, at a maximum rate of 12% per annum, and the Purchase Price of the Series 2009 Bonds tendered for purchase and not remarketed as described herein. The Letter of Credit will expire on June 18, 2012, unless terminated or extended prior to such date, in accordance with its terms. The School and the Bank will enter into the Letter of Credit Reimbursement Agreement, dated as of June 1, 2009 (the "Reimbursement Agreement"), relating to the Series 2009 Bonds providing for reimbursement to the Bank for, among other things, amounts drawn under the Letter of Credit. See "PART 2 - SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2009 BONDS - The Letter of Credit."

Except as described herein, the owners of the Series 2009 Bonds will have the right, prior to the conversion of the Rate Mode for the Series 2009 Bonds to a Fixed Rate Mode, to tender Series 2009 Bonds for purchase at a price equal to 100% of the principal amount thereof plus accrued interest, if any, to the purchase date, upon seven days' written notice to the Remarketing Agent and the Trustee. The purchase price of Series 2009 Bonds so tendered and not remarketed will be payable from amounts drawn under the Letter of Credit. Shattuck Hammond Partners, a Division of Morgan Keegan & Company, Inc. (the "Remarketing Agent") is the remarketing agent for the Series 2009 Bonds.

The Series 2009 Bonds will not be a debt of the State of New York (the "State") nor will the State be liable thereon. The Authority has no taxing power.

Description: The Series 2009 Bonds will be issued initially as fully registered Variable Interest Rate Bonds and Option Bonds in denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof payable at the principal corporate trust office of the Trustee. Commencing on the date of delivery, the Series 2009 Bonds will bear interest at Weekly Rates for Weekly Rate Periods unless and until converted to a different Rate Mode. Interest on the Series 2009 Bonds is payable on July 1, 2009 and thereafter on the first Business Day of each month for as long as the Series 2009 Bonds bear interest in the Weekly Rate Mode. **This Official Statement describes the Series 2009 Bonds only in the Weekly Rate Mode.** It is not intended to provide information relating to the Series 2009 Bonds while they bear interest at any other interest rate mode, unless it is supplemented to reflect such interest rate mode.

The Series 2009 Bonds will be issued initially under a Book-Entry Only System, registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"). Individual purchases of beneficial interests in the Series 2009 Bonds will be made in Book-Entry form (without certificates). So long as DTC or its nominee is the registered owner of the Series 2009 Bonds, payments of the principal, Redemption Price and Purchase Price of and interest on such Series 2009 Bonds will be made directly to DTC or its nominee. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursement of such payments to the beneficial owners is the responsibility of DTC participants. See "PART 3 - THE SERIES 2009 BONDS - Book-Entry Only System" herein.

Tender and Redemption: *The Series 2009 Bonds are subject to optional and mandatory tender and redemption prior to maturity as more fully described herein.*

Tax Exemption: In the opinion of Bond Counsel, under existing law and assuming compliance with the tax covenants described herein, and the accuracy of certain representations and certifications made by the Authority and the School described herein, interest on the Series 2009 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code with respect to individuals and corporations. Bond Counsel is further of the opinion that, by virtue of the Act, interest on the Series 2009 Bonds is exempt from personal income taxes of the State of New York and its political subdivisions, including The City of New York and the City of Yonkers. See "PART 11 - TAX MATTERS" herein regarding certain other tax considerations.

The Series 2009 Bonds are offered when, as and if issued and received by the Underwriter. The offer of the Series 2009 Bonds may be subject to prior sale or withdrawn or modified at any time without notice. The offer is subject to the approval of legality by Nixon Peabody LLP, New York, New York, Bond Counsel to the Authority, and to certain other conditions. Certain legal matters will be passed upon for the School by its Special Counsel, Stroock & Stroock & Lavan LLP, New York, New York. Certain legal matters will be passed upon for the Underwriter by its Counsel, Arent Fox LLP, New York, New York. Certain legal matters will be passed upon for the Bank by its Counsel, Windels Marx Lane & Mittendorf, LLP, New York, New York. The Authority expects to deliver the Series 2009 Bonds in definitive form in New York, New York, on or about June 18, 2009.

Shattuck Hammond Partners, a division of
Morgan Keegan & Company, Inc.

No dealer, broker, salesperson or other person has been authorized by the Authority, the School, the Bank or the Underwriter to give any information or to make any representations with respect to the Series 2009 Bonds, other than the information and representations contained in this Official Statement. If given or made, any such information or representations must not be relied upon as having been authorized by the Authority, the School, the Bank or the Underwriter.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be a sale of the Series 2009 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

Certain information in this Official Statement has been supplied by the School, the Bank, DTC 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 School reviewed the parts of this Official Statement describing the School, the Project, the IDA Bonds, the IDA Hedge Agreements, Bondholders' Risks and the Estimated Sources and Uses of Funds. The School will certify as of the dates of sale and delivery of the Series 2009 Bonds that such parts (with respect to Bondholders' Risks, as such risks refer to, purport to describe or relate to the School) 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 School makes no representations as to the accuracy or completeness of any other information included in this Official Statement.

Other than with respect to information concerning the Bank contained under the caption "PART 2 - SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2009 BONDS - The Letter of Credit" and in "PART 4 - THE BANK" herein, none of the information in this Official Statement has been supplied or verified by the Bank, and the Bank makes no representation or warranty, express or implied, as to (i) the accuracy or completeness of such information; (ii) the validity of the Series 2009 Bonds; or (iii) the tax status of the interest on the Series 2009 Bonds.

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

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

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

The Series 2009 Bonds have not been registered under the Securities Act of 1933, as amended, nor has the Resolution been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such acts. The registration or qualification of the Series 2009 Bonds in accordance with applicable provisions of the securities laws of the state, if any, in which the Series 2009 Bonds have been registered or qualified and the exemption from registration or qualification in certain other states cannot be regarded as a recommendation thereof. Neither these states nor any of their agencies have passed upon the merits of the Series 2009 Bonds or the accuracy or completeness of this Official Statement. Any representation to the contrary may be a criminal offense.

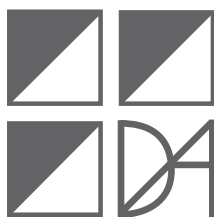
In making an investment decision, investors must rely upon their own examination of the Bank and the terms of the offering, including the merits and risks involved. These securities have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offense.

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

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

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PAUL T. WILLIAMS, Jr. – EXECUTIVE DIRECTOR ALFONSO L. CARNEY, Jr. – CHAIR

OFFICIAL STATEMENT RELATING TO

\$40,500,000

DORMITORY AUTHORITY OF THE STATE OF NEW YORK NEW YORK LAW SCHOOL REVENUE BONDS, SERIES 2009 (LETTER OF CREDIT SECURED)

PART 1 – INTRODUCTION

Purpose of the Official Statement

The purpose of this Official Statement, including the cover page and appendices, is to provide information about the Authority, the Bank and the School, in connection with the offering by the Authority of \$40,500,000 principal amount of its New York Law School Revenue Bonds, Series 2009 (Letter of Credit Secured) (the “Series 2009 Bonds”).

The following is a brief description of certain information concerning the Series 2009 Bonds, the Authority, the Bank and the School. A more complete description of such information and additional information that may affect decisions to invest in the Series 2009 Bonds is contained throughout this Official Statement, which should be read in its entirety. Certain terms used in this Official Statement are defined in Appendix A hereto.

Purpose of the Issue

The proceeds of the Series 2009 Bonds, together with other available funds, will be used to (i) pay costs of the Project (as hereinafter defined and described in PART 6), (ii) make a deposit to the capitalized interest account, and (iii) pay certain Costs of Issuance of the Series 2009 Bonds. See PART 6 – “THE PROJECT” and PART 7 – “ESTIMATED SOURCES AND USES OF FUNDS”.

Authorization of Issuance

The Series 2009 Bonds will be issued pursuant to the Resolution, the Series 2009 Resolution relating to the Series 2009 Bonds, the Series 2009 Bond Series Certificate and the Act. In addition to the Series 2009 Bonds, the Resolution authorizes the issuance of other Series of Bonds to pay the costs of one or more Projects, to pay certain Costs of Issuance of such Series of Bonds and to refund all or a portion of Outstanding Bonds or other notes or bonds of the Authority issued for the benefit of the School.

IDA Bonds

On June 30, 2006, New York City Industrial Development Agency (“IDA”) issued its \$67,500,000 Civic Facility Revenue Bonds (New York Law School Project), Series 2006A (the “IDA Series A Bonds”) and its \$67,500,000 Civic Facility Revenue Bonds (New York Law School Project), Series 2006B Bonds (the “IDA Series B Bonds”). The IDA Bonds were issued by the IDA for the benefit of the School in order to finance a portion of the costs of (i) the acquisition of land and improvements located in New York, New York, (ii) the demolition of said improvements, (ii) the construction and equipping of an academic facility located at 185 West Broadway, in New York, New York (the “Academic Building”), and (iii) the payment of certain costs of issuance in respect of the IDA Bonds. The School and the IDA entered into an installment sale agreement with respect to the School’s payment obligations to the IDA, which installment sale agreement was amended and restated at the time the IDA redesignated its IDA Series B Bonds, described below (the “Installment Sale Agreement”).

In 2008, the IDA redesignated its IDA Series B Bonds as \$47,500,000 Civic Facility Revenue Bonds (New York Law School Project), Series 2006B-1 (the “IDA Series B-1 Bonds”) and as \$20,000,000 Civic Facility Revenue Bonds (New York Law School Project), Series 2006B-2 (the “IDA B-2 Bonds”). The IDA Series A Bonds, IDA Series B-1 Bonds and IDA Series B-2 Bonds are currently credit enhanced by separate letters of credit issued by JPMorgan Chase Bank, N.A., Allied Irish Banks, p.l.c., New York Branch and RBS Citizens, N.A., respectively (collectively, the “IDA Banks”). The IDA Series A Bonds, IDA Series B-1 Bonds and IDA Series B-2 Bonds are collectively referred to herein as the “IDA Bonds”. The School and the IDA Banks entered into separate reimbursement agreements with respect to the School’s payment obligations to the IDA Banks (collectively, the “IDA Reimbursement Agreements”).

The School granted the IDA a security interest in its Gross Receipts, which, subject to certain reserved rights, the IDA assigned to U.S. Bank National Association, as trustee for the IDA Bonds (the “IDA Trustee”) for the benefit of the IDA Bondholders to secure the payment of the principal and redemption price and interest on the IDA Bonds and to the IDA Banks to secure its obligations to the IDA Banks under the IDA Reimbursement Agreements (collectively, the “IDA Financing Documents”). Prior to the issuance of the IDA Bonds, the School entered into two forward starting interest rate exchange agreements, which were subsequently amended, with The Bank of New York Mellon (successor to The Bank of New York, the “IDA Hedge Provider”) for the purpose of converting the School’s variable rate exposure relating to the IDA Bonds to a fixed rate. The two forward starting interest rate exchange agreements as amended, and as they may be further amended, modified and/or restated, are referred to herein as the “IDA Hedge Agreements”. To the extent that the School is required to provide the IDA Hedge Provider with a security interest in any of the School’s security accounts or other property of the School composed of or constituting all, or any part of the Gross Receipts pursuant to the IDA Hedge Agreements, the security interest in Gross Receipts granted to the Authority and the Bank under the Security Agreement will be diluted. See PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2009 BONDS—Security for the Series 2009 Bonds—Gross Receipts”.

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, governmental and not-for-profit institutions. See “PART 8 - THE AUTHORITY.”

The School

New York Law School (the “School” or “NYLS”), established in 1891, is one of the oldest and largest independent law schools in the United States. The School operates under a charter granted by the Board of

Regents of the State of New York, is accredited by the American Bar Association, and is a member of the Association of American Law Schools. The School's curriculum is registered with and approved by the New York State Education Department. See "PART 5 - THE SCHOOL".

The Series 2009 Bonds

The Series 2009 Bonds will be initially issued as Variable Interest Rate Bonds and Option Bonds in the Weekly Rate Mode, will be dated the date of delivery and will bear interest from such date at a Weekly Rate as set forth in the Series 2009 Bond Series Certificate delivered in connection with the Series 2009 Bonds (the "Series 2009 Bond Series Certificate"). Thereafter, the Series 2009 Bonds will bear interest at Weekly Rates for Weekly Rate Periods unless and until converted to a different Rate Mode. The Weekly Rate will be determined by the Remarketing Agent on each Wednesday, unless such Wednesday is not a Business Day, in which case the Rate will be determined on the prior Business Day. Interest on the Series 2009 Bonds while in the Weekly Rate Mode will be paid on the first Business Day of each month. At the election of the School with the consent of the Authority, the Series 2009 Bonds may be converted to bear interest at a different Rate Mode, determined and payable as described in the Series 2009 Bond Series Certificate. The Series 2009 Bonds will be subject to mandatory tender for purchase as described herein. See "PART 3 - THE SERIES 2009 BONDS - Description of the Series 2009 Bonds."

This Official Statement generally describes the Series 2009 Bonds only in the Weekly Rate Mode.

The Series 2009 Bonds are subject to tender for purchase at the option of the Holders on any Business Day upon seven days' notice to the Remarketing Agent and the Trustee during a Weekly Rate Period. The Series 2009 Bonds are subject to mandatory tender upon conversion to a different Rate Mode, or in connection with certain events, including the expiration or termination of the Letter of Credit then in effect, the delivery of a substitute Letter of Credit or Confirming Letter of Credit and upon an event of default under the Reimbursement Agreement (and election by the Bank to effect a mandatory tender in connection therewith). Series 2009 Bonds tendered, either at the option of the Holder or mandatorily, are subject to purchase at a Purchase Price equal to the principal amount of the Series 2009 Bonds to be purchased, plus, except as described herein, accrued interest, if any, to the purchase date. Such purchases are payable from and in the following order of priority: first, proceeds of the remarketing of the Series 2009 Bonds; second, moneys obtained under the Letter of Credit; third, other Available Money; and fourth, if, and to the extent Available Money is not available from the preceding sources, from any other money made available by the School. Default by the Bank under the Letter of Credit may result in insufficient revenues being available to pay the Purchase Price of tendered Series 2009 Bonds. See "PART 2 - SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2009 BONDS - Payment of the Series 2009 Bonds." For a more complete description of the Series 2009 Bonds, the determination of interest rates, conversion from the Weekly Rate Mode to a different Rate Mode and optional and mandatory tenders, see "PART 3 - THE SERIES 2009 BONDS - Description of the Series 2009 Bonds."

Shattuck Hammond Partners, a division of Morgan Keegan & Company, Inc. has been appointed as the Remarketing Agent for the Series 2009 Bonds.

Payment of the Series 2009 Bonds

The Series 2009 Bonds will be special obligations of the Authority payable solely from certain payments to be made by the Bank under the Letter of Credit and, if such amounts are insufficient, the Revenues, which consist of certain payments to be made by the School under the Loan Agreement, as more fully described in "Appendix A – Certain Definitions." The Loan Agreement is a general obligation of the School. Pursuant to the Resolution and the Series 2009 Resolution, 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 BONDS.”

The Series 2009 Bonds will not be a debt of the State nor will the State be liable thereon. The Authority has no taxing power.

Security for the Series 2009 Bonds

The Series 2009 Bonds will be secured by the payments described above to be made under the Letter of Credit, and will be secured by the pledge and assignment of the Revenues, the proceeds from the sale of the Series 2009 Bonds (until disbursed as provided in the Resolution), all funds and accounts authorized under the Resolution and established under the Series 2009 Resolution (with the exception of the Arbitrage Rebate Fund and any fund established for the payment of the Purchase Price or Redemption Price of Option Bonds tendered for purchase or redemption including the Purchase and Remarketing Fund) and by a security interest in the School’s Gross Receipts granted to the Authority by the School and, subject to certain reserved rights, assigned by the Authority to the Trustee for the benefit of the Series 2009 Bondholders and the Bank. See “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE BONDS – Security for the Series 2009 Bonds.”

The lien on the School’s Gross Receipts securing its payment obligations under the IDA Financing Documents with respect to the IDA Bonds and the IDA Reimbursement Agreements is of equal priority with the lien on the School’s Gross Receipts securing its payment obligations to the Authority under the Loan Agreement with respect to the Series 2009 Bonds and its payment obligations to the Bank with respect to the Reimbursement Agreement (together, the “Authority Financing Documents” and together with the IDA Financing Documents, the “Financing Documents”). The respective rights of the Authority, the Trustee, the Bank, the IDA, the trustee for the IDA Bonds and the IDA Banks (collectively, the “Secured Parties”) will be allocated *pro rata* pursuant to the terms of an intercreditor agreement by and among the Secured Parties (the “Intercreditor Agreement”). See PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2009 BONDS”.

In order to hedge its exposure to fluctuations of the interest rate on the Series 2009 Bonds, the School has expressed its interest in entering into in the future an agreement in the nature of an interest rate exchange agreement with a hedge counterparty (a “Hedge Agreement”). If the School enters into a Hedge Agreement with respect to all or a portion of the Series 2009 Bonds, its payment obligation to the Hedge Agreement counterparty may be secured by a lien on the Gross Receipts that is of equal priority with the lien securing the Secured Parties. In addition, with the written consent of the Authority, and to the extent permitted by the Reimbursement Agreement, the School may incur additional debt or other financial obligations secured by a lien on the Gross Receipts that is of equal priority with the lien securing the Secured Parties. See “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2009 BONDS – Issuance of Additional Bonds and Parity Debt.”

The IDA Hedge Agreements require the School to provide the IDA Hedge Provider with a first priority security interest in those School investment accounts controlled by the IDA Hedge Provider. To the extent that the School is required to provide the IDA Hedge Provider with a security interest in any of the School’s security accounts or other property of the School composed of or constituting all, or any part of the Gross Receipts pursuant to the IDA Hedge Agreements, the security interest in Gross Receipts granted to the Authority and the Bank under the Security Agreement will be diluted. See PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2009 BONDS–Security for the Series 2009 Bonds–Gross Receipts.”

With the written consent of the Authority, and to the extent permitted by the Reimbursement Agreement, the School may incur indebtedness or other financial obligations, in addition to additional Bonds, the IDA Bonds and a Hedge Agreement, secured by a lien on the Gross Receipts that is of equal priority with the lien securing the Secured Parties. The security interest in Gross Receipts granted to the Authority and the Bank in the Security Agreement for the Series 2009 Bonds will be diluted to the extent additional Bonds, the IDA Bonds, and a Hedge Agreement, or any other such debt or financing obligation incurred that is secured by a lien on the Gross Receipts that is of equal priority with the lien securing the Secured Parties. Future creditors of the School that will be secured by a security interest in the Gross Receipts will likely enter into an intercreditor agreement with the Secured Parties and any other persons secured by a security interest in the Gross Receipts.

The Letter of Credit

Pursuant to the Letter of Credit Reimbursement Agreement dated as of June 1, 2009, between the School and the Bank (the "Reimbursement Agreement") related to the Series 2009 Bonds, the Bank has committed to issue and deliver its irrevocable direct pay Letter of Credit to secure payment of the Series 2009 Bonds. The Letter of Credit will be dated the date of the Series 2009 Bonds and the Bank, subject to the terms and conditions of the Letter of Credit, will be obligated to pay when due an amount not to exceed the principal and redemption price of and up to 34 days' interest on the Series 2009 Bonds and the Purchase Price of such Series 2009 Bonds tendered for purchase pursuant to the Resolution and the Series 2009 Bond Series Certificate but not remarketed. See "PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE BONDS – The Letter of Credit" and "PART 4 – THE BANK."

While in the Weekly Rate Mode, the Series 2009 Bonds are subject to optional and mandatory tender for purchase as described herein. Pursuant to the Letter of Credit, the Bank will be obligated to purchase Series 2009 Bonds tendered for purchase and not remarketed. The Letter of Credit will expire on June 18, 2012, unless renewed or extended or terminated pursuant to its terms. The renewal, extension or termination of the Letter of Credit will be at the Bank's sole discretion. See "PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2009 BONDS – The Letter of Credit."

PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2009 BONDS

Set forth below is a narrative description of certain contractual provisions relating to the source of payment of and security for the Series 2009 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 Resolution, the Series 2009 Resolution, the Series 2009 Bond Series Certificate, the Loan Agreement, and the Letter of Credit. Copies of the Resolution, the Series 2009 Resolution, the Series 2009 Bond Series Certificate, the Loan Agreement, and the Letter of Credit are on file with the Authority and the Trustee. See also "Appendix B - Summary of Certain Provisions of the Loan Agreement," "Appendix C – Summary of Certain Provisions of the Resolution" and "Appendix D – Summary of Certain Provisions of the Reimbursement Agreement" for a more complete statement of the rights, duties and obligations of the parties thereto.

Payment of the Series 2009 Bonds

The Series 2009 Bonds will be special obligations of the Authority. The principal, Sinking Fund Installments and Redemption Price of and interest on the Series 2009 Bonds are payable from proceeds received by the Trustee from drawings under the Letter of Credit and, if such amounts are insufficient, the Revenues. The Revenues consist of the payments required to be made by the School under the Loan Agreement to satisfy the principal, Sinking Fund Installments, if any, and Redemption Price of and interest

on the Series 2009 Bonds. The Revenues and the right to receive them have been pledged to the Trustee for the benefit of the Bondholders.

The Loan Agreement is a general obligation of the School and obligates the School to make payments to satisfy the principal, Sinking Fund Installments, if any, and Redemption Price of and interest on the Outstanding Series 2009 Bonds. Payments made by the School in respect of interest on the Series 2009 Bonds that bear interest at variable interest rates, are to be made on or before the fifth Business Day prior to an interest payment date on such Series 2009 Bonds, assuming that such Series 2009 Bonds will, from and after the next succeeding date on which the rates at which such Series 2009 Bonds bear interest are to be determined, bear interest at a rate per annum equal to the rate per annum on such Series 2009 Bonds on the immediately preceding Business Day, plus one hundred basis points (1.0%). Payments by the School in respect of principal are to be made on the 10th day of each month commencing on the 10th day of July, 2011 in an amount equal to a proportionate share of the principal and Sinking Fund Installments coming due on the next succeeding July 1. The Loan Agreement also obligates the School to pay, unless the redemption of Series 2009 Bonds at the option of the Authority or any purchase thereof in lieu of optional redemption is subject to the condition that sufficient money is available on the redemption date or the purchase date, on or prior to the date any notice of optional redemption or purchase in lieu of optional redemption is given, the Redemption Price or purchase price of the Series 2009 Bonds previously called for redemption or to be purchased. See “PART 3 – THE SERIES 2009 BONDS – Redemption Provisions.”

The Authority has directed, and the School has agreed, to make such payments directly to the Trustee. Such payments are to be applied by the Trustee to repay the Bank with respect to draws under the Letter of Credit or, if such amounts drawn under the Letter of Credit are insufficient to pay Bondholders, the payment of the principal, Sinking Fund Installments, if any, and Redemption Price of and interest on the Series 2009 Bonds.

Security for the Series 2009 Bonds

The Series 2009 Bonds will be secured by the payments described above to be made under the Letter of Credit, and will be secured by the pledge and assignment of the Revenues, the proceeds from the sale of the Series 2009 Bonds (until disbursed as provided in the Resolution), all funds and accounts authorized under the Resolution and established under the Series 2009 Resolution (with the exception of the Arbitrage Rebate Fund and any fund established for the payment of the Purchase Price or Redemption Price of Option Bonds tendered for purchase or redemption including the Purchase and Remarketing Fund) and the security interest in the Gross Receipts given to the Authority and the Bank by the School in the Security Agreement. Such security interest, subject to certain reserved rights, will be pledged and assigned by the Authority in the Assignment Agreement to the Trustee for the benefit of the Series 2009 Bondholders to secure the payment of the principal and Redemption Price and interest on the Series 2009 Bonds, and to the Bank to secure the School’s obligations to the Bank under the Reimbursement Agreement.

The lien on the School’s Gross Receipts securing its payment obligations with respect to the IDA Financing Documents is secured by a lien on the Gross Receipts that is of equal priority with the lien securing the School’s payment obligations with respect to the Authority Financing Documents.

If the School enters into a Hedge Agreement with respect to all or a portion of the Series 2009 Bonds, its payment obligation to the Hedge Agreement counterparty may be secured by a lien on the Gross Receipts secured by a lien on the Gross Receipts that is of equal priority with the lien securing the Secured Parties. In addition, with the written consent of the Authority, and to the extent permitted by the Reimbursement Agreement, the School may incur debt or other financial obligations secured by a lien on the Gross Receipts that is of equal priority with the lien securing the Secured Parties. See “PART 1 – INTRODUCTION” and

“PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2009 BONDS – Issuance of Additional Bonds and Parity Debt.”

The Secured Parties are entering into the Intercreditor Agreement to (i) agree upon the relative priorities among the security interest in the Gross Receipts, (ii) establish limitations or conditions upon the parties respective rights to enforce, foreclose or realize upon such security interest, and (iii) agree upon the manner in which any money realized from the enforcement, foreclosure or other realization upon such security interests is to be applied.

Gross Receipts

As security for its obligations under the Authority Financing Documents, the School has granted to the Authority and the Bank a security interest in the Gross Receipts, consisting of all revenues received by the School from operations, including but not limited to the tuition and fees charged to students and received or receivable by the School, all of the School’s accounts, contract rights, chattel paper, instruments, general intangibles, and other obligations of any kind, rights in and to Receivables, investment income, gifts, bequests, contributions and other donations (excluding only those that are expressly restricted) and the proceeds of any or all of the foregoing. To secure the pledge of the Gross Receipts, the School will enter into a security agreement (the “Security Agreement”) with the Authority for the Series 2009 Bonds. Subject to certain reserved rights, the Authority has pledged and assigned to the Trustee for the benefit of the Holders of Series 2009 Bonds and to the Bank its security interest in the Gross Receipts pursuant to the Assignment Agreement.

The School’s payment obligations with respect to the IDA Financing Documents are secured by a lien on the Gross Receipts that is of equal priority with the lien securing the School’s obligations with respect to the Authority Financing Documents. Pursuant to the Intercreditor Agreement, the security interests in the Gross Receipts granted to the Secured Parties are of equal priority and any cash proceeds realized by any of the Secured Parties upon all or any part of the Gross Receipts is to be held for the equal benefit of all the Secured Parties. The Intercreditor Agreement provides that such equal priority is applicable irrespective of the time or order in which (i) any of the Financing Documents were entered into, (ii) any obligation was incurred under any of the Financing Documents, (iii) any Series 2009 Bond or IDA Bond was issued, (iv) the time or order of attachment or perfection of the security interests or other interests, or (v) the time or order of recording or filing of financing statements or knowledge by any of the Secured Parties of the making, giving or creation of security interest, pledge, lien or other interest.

Under the Intercreditor Agreement, each Secured Party may declare or decline to declare, to the extent it has the right to do so under the applicable Financing Documents, an event of default under any Financing Document to which it is a party, including by assignment, or made for its benefit or by which it is benefited. Each Secured Party agrees in the Intercreditor Agreement to give each of the other Secured Parties not less than thirty (30) days prior written notice of its intention to commence any action or proceeding based on an event of default under a Financing Document. The failure of a Secured Party to give any such notice will not nullify or otherwise adversely affect or impair the validity of declaration of default. Further, subject to certain limitations contained in the Intercreditor Agreement regarding the right of the Authority and the IDA to initiate actions or proceedings with respect to their respective unassigned rights, any Secured Party, without the consent of any other Secured Party, after providing prior written notice described above, may commence an action or proceeding to foreclose upon on any of the Gross Receipts whenever, and to the extent, such party is permitted to do so under any Financing Document to which it is a party, including by assignment, or made for its benefit or by which it is benefited.

The rights and remedies of the holders of the Series 2009 Bonds and the holders of the IDA Bonds with regard to the Gross Receipts will be determined in accordance with the Intercreditor Agreement. The

Intercreditor Agreement provides that the Secured Parties have *pro rata* rights to such Gross Receipts, with such *pro rata* allocation of assets being given in the following order of priority:

(i) To the payment of the costs and expenses of foreclosing or realizing upon the Gross Receipts;

(ii) If any Secured Party shall have made reasonable advances under a Financing Document for the purpose of preserving or protecting the Gross Receipts, than the amount of such advances shall be repaid to such Secured Party;

(iii) To payment to each Secured Party, *pro rata* based on the unpaid principal amount of the indebtedness and interest due and payable at the time of calculation under each of the Financing Documents, but not in excess of the principal of and interest on such indebtedness, or other financial obligations then due and unpaid thereunder;

(iv) To payment to each Secured Party, *pro rata*, based on, but not in excess of, the fees and expenses of each of them then due to each of them and then unpaid at the time of calculation under the applicable Financing Documents (but only in so far as the fees and expenses of the Secured Parties are reasonably related to the applicable Financing Documents and not otherwise reimbursed pursuant to clause (i) or (ii) above); and

(v) To payment to each Secured Party, *pro rata*, based on, but not in excess of, all other amounts owing under the Financing Documents due at the time of calculation to each of them and then unpaid.

Under the Intercreditor Agreement, any surplus of cash proceeds of the Gross Receipts remaining after payment in full of all of the School's obligations under each of the Financing Documents is to be paid over to the School or to whomever may be otherwise lawfully entitled to receive such surplus.

The IDA Hedge Agreements require the School to provide the IDA Hedge Provider with a first priority security interest in those School investment accounts controlled by the IDA Hedge Provider. To the extent that the School is required to provide the IDA Hedge Provider with a security interest in any of the School's security accounts or other property of the School composed of or constituting all, or any part of the Gross Receipts pursuant to the IDA Hedge Agreements, the security interest in Gross Receipts granted to the Authority and the Bank under the Security Agreement will be diluted.

With the written consent of the Authority, and to the extent permitted by the Reimbursement Agreement, the School may incur indebtedness or other financial obligations, in addition to additional Bonds, the IDA Bonds and a Hedge Agreement, secured by a lien on the Gross Receipts that is of equal priority with the lien securing the Secured Parties. The security interest in Gross Receipts granted to the Authority and the Bank in the Security Agreement for the Series 2009 Bonds will be diluted to the extent additional Bonds, the IDA Bonds, a Hedge Agreement, or any other such debt is issued or financing obligation incurred that is secured by a security interest in the Gross Receipts that is of equal priority with the lien securing the Secured Parties. Future creditors of the School that will be secured by a security interest in the Gross Receipts will be required to enter into an intercreditor agreement with the Secured Parties and any other persons secured by a security interest in the Gross Receipts.

No Mortgage; Negative Pledge

The Series 2009 Bonds will not be secured by a mortgage on the Project. Other than Permitted Liens, the School has covenanted to the Authority in the Loan Agreement and to the Bank in the Reimbursement Agreement not to dispose of pledge, grant, assign, or undertake or not take any action that would result in the

creation of any lien on the premises located at the Project site (the “Premises”) and the School has covenanted to the Bank in the Reimbursement Agreement not to grant a negative pledge in favor of any third party covering the Premises, or sell, assign, transfer, lease, mortgage, charge, encumber or otherwise dispose of the Premises whether in a single transaction or series of transactions.

Assignment Agreement

To secure its obligations under the Resolutions, the payment of all amounts due and owing to the Holders of the Series 2009 Bonds and in order to secure the obligations of the School to the Bank under the Reimbursement Agreement, the Authority will assign to the Trustee for the benefit of the Series 2009 Bond holders and to the Bank, pursuant to the Assignment Agreement (the “Assignment Agreement”), all of the Authority’s right, title and interest in the Loan Agreement (except for certain reserved rights) and the Security Agreement.

Subject to the Intercreditor Agreement, the Assignment Agreement delegates to the Bank (except for certain reserved rights of the Authority), the sole right to pursue (or, at its option, to direct the Trustee to pursue) remedies under the Loan Agreement, provided no Bank default with respect to the Bank is continuing. The Assignment Agreement also gives the Bank the sole right to grant or withhold any approval, consent or waiver required under the Security Agreement and the Loan Agreement (except for certain reserved rights of the Authority).

The Letter of Credit

The following, in addition to the information provided elsewhere in this Official Statement, summarizes certain provisions of the Letter of Credit and the Reimbursement Agreement. Reference is hereby made to the Letter of Credit and the Reimbursement Agreement for the detailed terms and provisions thereof.

The Letter of Credit securing the Series 2009 Bonds will be issued in an original stated amount of \$40,952,713.00 (the “Series 2009 Letter of Credit Commitment”) of which \$40,500,000.00 shall be with respect to the principal of the Series 2009 Bonds or the portion of the Purchase Price corresponding to the principal thereof, and \$452,713.00 shall be with respect to 34 days of accrued interest on the Series 2009 Bonds or the portion of the Purchase Price corresponding to interest thereon, calculated at a rate of 12% per annum, based on the actual number of days elapsed in a year of 365 days.

The Letter of Credit which is issued in connection with the Series 2009 Bonds will terminate upon the earliest of (i) 5:00 P.M., New York City time, on June 18, 2012, or, if not a Business Day, the next following Business Day or such later date as the Bank may agree pursuant to the Letter of Credit, (ii) the Business Day following the conversion of all of the Series 2009 Bonds to a Rate Mode other than the Weekly Rate Mode, (iii) the date on which there has been a drawing and payment under the Letter of Credit upon the maturity, redemption in full or acceleration of all of the Series 2009 Bonds, or (iv) the date following receipt by the Bank of a certificate of the Trustee stating that the Trustee is in receipt of a substitute Letter of Credit in accordance with the Series 2009 Bond Series Certificate. The renewal, extension or termination of the Letter of Credit will be at the Bank’s sole discretion.

Reduction and Reinstatement of Letter of Credit

Drawings may be made under the Letter of Credit in order to pay the principal of (whether at stated maturity, upon redemption or upon acceleration) and interest on the Series 2009 Bonds when due and the Purchase Price, consisting of the principal amount of and accrued and unpaid interest on the Series 2009 Bonds tendered pursuant to the Resolutions and the Series 2009 Bond Series Certificate, to the extent remarketing proceeds are not available for such purpose (a “Remarketing Drawing”). Multiple drawings may

be made under the Letter of Credit, provided that drawings shall not exceed the Letter of Credit Commitment, as such Letter of Credit Commitment may be reduced or reinstated pursuant to the Letter of Credit.

The amount available under the Letter of Credit for the purpose of paying interest on the Series 2009 Bonds (the “Interest Component”) shall be reduced in an amount equal to any draw to pay interest on the Series 2009 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 Series 2009 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 Series 2009 Bonds.

The amount available under the Letter of Credit for the purpose of paying principal on the Series 2009 Bonds (the “Principal Component”) shall be reduced in an amount equal to any draw to pay principal (including the principal portion of the Purchase Price) of the Series 2009 Bonds. The Bank will reinstate amounts drawn under the Letter of Credit pursuant to a Remarketing Drawing, as to the Principal Component and the Interest Component, to the extent that money is received by the Bank (other than from drawings on the Letter of Credit) from the Trustee reimbursing amounts drawn pertaining to such Remarketing Drawing together with a Trustee’s certificate of reinstatement pursuant to the Letter of Credit; provided, however, that the amounts drawn to pay the principal of the Series 2009 Bonds on the scheduled due date (whether pursuant to mandatory sinking fund installment redemption or at stated maturity), optional redemption or any mandatory redemption or acceleration shall not be subject to reinstatement.

No drawing under the Letter of Credit shall be honored in an amount exceeding the amount available to be drawn under the Letter of Credit at the time of such drawing, and, pursuant to the Series 2009 Resolution and 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 Series 2009 Bonds owned by the School or pledged by the School or an Affiliate of the School pursuant to the Reimbursement Agreement.

The Reimbursement Agreement

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

The Reimbursement Agreement establishes various representations, warranties and covenants of the School and establishes various events of default thereunder.

The terms of the Reimbursement Agreement and certain related documents may be modified, amended or supplemented by the Bank and the School 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 School or additional covenants of the School and these amended or modified covenants may be more or less restrictive than those in effect at the date of issuance of the Series 2009 Bonds. See “Appendix D – Summary of Certain Provisions of the Reimbursement Agreement.”

Substitution

The School may, at any time, at its option with the prior written consent of the Authority and upon written notice to the Bank, deliver or cause to be delivered to the Trustee a Confirming Letter of Credit or a substitute Letter of Credit.

The confirmation or replacement of the Letter of Credit with a Confirming Letter of Credit or substitute Letter of Credit, as applicable, will cause a mandatory tender of the Series 2009 Bonds. In no event shall the Letter of Credit be surrendered to the Bank upon delivery of a substitute Letter of Credit until a drawing to pay the Purchase Price of the Series 2009 Bonds tendered for purchase and not remarketed has been honored by the Bank and the Bank certifies that the School has complied with the requirements of the Letter of Credit and the Reimbursement Agreement relating to the Substitution. No such substitute Letter of Credit or Confirming Letter of Credit shall be or become effective unless it meets the requirements set forth in the Series 2009 Bond Series Certificate.

Events of Default and Acceleration

The following are events of default under the Resolution with respect to the Series 2009 Bonds: (i) a default by the Authority in the payment of the principal, Sinking Fund Installment or Redemption Price of any Bond; (ii) a default by the Authority in the payment of interest on any Bond; (iii) a final determination by any court of competent jurisdiction or a final determination by the IRS to which the Authority consents or from which no timely appeal has been taken, in each case to the effect that interest on the Series 2009 Bonds is includable in the gross income of the Holder thereof for purposes of federal income taxation; (iv) a default by the Authority in the due and punctual performance of any covenants, conditions, agreements or provisions contained in the Bonds or in the Resolutions which continues for 30 days after written notice thereof is given to the Authority by the Trustee (such notice to be given in the Trustee's discretion or at the written request of the Holders of not less than 25% in principal amount of Outstanding Bonds) or if such default is not capable of being cured within 30 days, if the Authority fails to commence within 30 days and diligently prosecute the cure thereof; or (v) the Authority shall have notified the Trustee that an "Event of Default," as defined in the Loan Agreement, has occurred and is continuing and all sums payable by the School under the Loan Agreement have been declared immediately due and payable (unless such declaration shall have been annulled). Unless all sums payable by the School under the Loan Agreement are declared immediately due and payable, an event of default under the Loan Agreement is not an event of default under the Resolution.

The Resolution provides that, if an event of default (other than as described in clause (iii) of the preceding paragraph) occurs and continues, the Trustee, upon the written request of Holders of not less than 25% in principal amount of the Outstanding Bonds of each Series affected thereby shall, declare the principal of and interest on all the Outstanding Bonds of the applicable Series to be due and payable. If a Letter of Credit is in effect with respect to the Outstanding Bonds of any Series with respect to which such declaration has been made, the Trustee shall take such actions as may be required under such Letter of Credit in order to obtain money thereunder for the payment of the principal of and interest on such Outstanding Bonds on the date such principal and interest shall become due as provided in the Resolution, and apply the proceeds of such Letter of Credit to the payment thereof. At any time after the principal of the Series 2009 Bonds shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under the Resolution, the Trustee shall, with the written consent of the Holders of not less than 25% in principal amount of Series 2009 Bonds not yet due by their terms and then Outstanding, by written notice to the Authority, annul such declaration and its consequences under the terms and conditions specified in the Resolution with respect to such annulment.

The Resolution provides that the Trustee is to give notice in accordance with the Resolution of each event of default known to the Trustee to the School and to the Bank within five days, and to the Holders within 30 days, in each case after obtaining knowledge of the occurrence thereof, unless such default has been remedied or cured before the giving of such notice; provided, however, that, except in the case of default in the payment of principal, Sinking Fund Installments or Redemption Price of or interest on any of the Series 2009 Bonds, the Trustee will be protected in withholding such notice thereof to the Holders if the

Trustee in good faith determines that the withholding of such notice is in the best interests of the Holders of the Series 2009 Bonds.

Bank Rights

If no Bank default by the Bank is continuing, the Bank and not the actual Holders of the Series 2009 Bonds, shall be deemed to be the Holder of the Series 2009 Bonds for the purpose of exercising any right or power, consenting to an amendment, modification or waiver, or requesting or directing the Trustee to take or not to take any action under the Resolution and the Series 2009 Bond Series Certificate, provided, however, that no change in the terms of redemption or maturity of the principal of any Outstanding Series 2009 Bond or of any installment of interest thereon or reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon, or reduction in the percentages or that otherwise affect the classes of Series 2009 Bonds may be made without the consent of the Holders of such Outstanding Series 2009 Bonds.

Issuance of Additional Bonds and Parity Debt

In addition to the Series 2009 Bonds, the Resolution authorizes the issuance of other Series of Bonds to finance one or more projects and for other specified purposes, including to refund Outstanding Bonds or other notes or bonds of the Authority issued on behalf of the School. Additional Bonds issued under the Resolution may be secured by a security interest in the Gross Receipts given to the Authority by the School to secure the School's obligations under the Loan Agreement relating to such Bonds and such security interest may be pledged and assigned by the Authority to the Trustee to secure the payment of the principal and Redemption Price and interest on such Bonds, except as otherwise provided in the Resolution or the Series 2009 Resolution. Such security interest in the Gross Receipts may be of equal priority with the lien securing the Secured Parties. See "Appendix C – Summary of Certain Provisions of the Resolution." If applicable, such security interest may also be pledged and assigned to the credit enhancer for such Bonds to secure the School's obligations to such credit enhancer. In addition, in the event that the School enters into a hedge agreement with respect to any Additional Bonds, the hedge agreement counterparty may be granted a security interest in the Gross Receipts that is of equal priority with the lien securing the Secured Parties.

The School's payment obligations with respect to the IDA Bonds and IDA Banks are secured by a lien on the Gross Receipts that is of equal priority with the lien granted the Authority and the Bank. With the written consent of the Authority, and to the extent permitted by the Reimbursement Agreement, the School may incur indebtedness or other financial obligations, in addition to additional Bonds, the IDA Bonds, and a Hedge Agreement, secured by a lien on the Gross Receipts that is of equal priority with the lien securing the Secured Parties. The security interest in Gross Receipts granted to the Authority and the Bank in the Security Agreement will be diluted to the extent additional Bonds, the IDA Bonds, a Hedge Agreement, or any other such debt is issued or financing obligation incurred that is secured by secured by a lien on the Gross Receipts that is of equal priority with the lien securing the Secured Parties.

General

The Series 2009 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 8 - THE AUTHORITY."

PART 3 – THE SERIES 2009 BONDS

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

Description of the Series 2009 Bonds

General

The Series 2009 Bonds will be issued pursuant to the Act, the Resolution, the Series 2009 Resolution and the Series 2009 Bond Series Certificate. The Series 2009 Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), pursuant to DTC’s Book-Entry Only System. Purchases of beneficial interests in the Series 2009 Bonds will be made in book-entry form, without certificates. So long as DTC or its nominee, Cede & Co., is the registered owner of the Series 2009 Bonds, payments of the principal, Redemption Price of and interest on the Series 2009 Bonds will be made by the Trustee directly to Cede & Co. Disbursement of such payments to the DTC Participants (as hereinafter defined) is the responsibility of DTC and disbursement of such payments to the Beneficial Owners of the Series 2009 Bonds is the responsibility of the DTC Participants and the Indirect Participants (as hereinafter defined). If at any time the Book-Entry Only System is discontinued for the Series 2009 Bonds, the Series 2009 Bonds will be exchangeable for fully registered Series 2009 Bonds in any authorized denominations of the same maturity without charge except the payment of any tax, fee or other governmental charge to be paid with respect to such exchange, subject to the conditions and restrictions set forth in the Resolution. See “ - Book-Entry Only System” herein, and “Appendix C - Summary of Certain Provisions of the Resolution.”

The Series 2009 Bonds will initially be issued as Variable Interest Rate Bonds and Option Bonds in the Weekly Rate Mode, will be dated the date of their initial delivery and will bear interest from such date at a Weekly Rate. Thereafter, the Series 2009 Bonds will bear interest at Weekly Rates for Weekly Rate Periods unless and until converted to a different Rate Mode, as set forth in the Series 2009 Bond Series Certificate. ***The description of the Series 2009 Bonds and such documents included in this Official Statement relate primarily to the terms and provisions which are applicable while the Series 2009 Bonds bear interest at a Weekly Rate.***

The Series 2009 Bonds will be issued as fully registered Bonds in denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof during any Weekly Rate Period. The Series 2009 Bonds may be exchanged for other Series 2009 Bonds of any other authorized denominations upon payment of a charge sufficient to reimburse the Authority or the Trustee for any tax, fee or other governmental charge required to be paid with respect to such exchange and for the cost of preparing the new bond, and otherwise as provided in the Resolution. The Authority will not be obligated to make any exchange or transfer of Series 2009 Bonds, other than the exchange or transfer of an Option Bond which has been tendered or deemed to have been tendered for purchase, (i) during the period beginning on the Record Date next preceding an Interest Payment Date for such Series 2009 Bonds and ending on such Interest Payment Date or (ii) in the case of any proposed redemption of Bonds of such Series, after the Record Date next preceding the date on which the Trustee commences selection of Series 2009 Bonds for redemption.

The Record Date is the close of business on the Business Day immediately preceding each Interest Payment Date during any Weekly Rate Period. If the Series 2009 Bonds are not registered in the name of

DTC or its nominee, Cede & Co., the principal, Purchase Price or Redemption Price of the Series 2009 Bonds will be payable at the principal corporate trust office of U.S. Bank, National Association, as Trustee and Paying Agent upon presentation and surrender of such Series 2009 Bonds to it.

Interest Payment Dates

Interest will be paid July 1, 2009 and on the first Business Day of each month thereafter, unless and until the Series 2009 Bonds are converted to a different Rate Mode. Interest on the Series 2009 Bonds will be computed during any Weekly Rate Period on the basis of a 365-day or 366-day year, as appropriate, for the actual number of days elapsed.

Rate Periods

Beginning on the date of delivery the Series 2009 Bonds will bear interest at Weekly Rates for successive Weekly Rate Periods unless and until converted to a different Rate Mode. Each Weekly Rate Period will begin on a Thursday and end on Wednesday of the following week or on an earlier Conversion Date to a different Rate Mode.

Establishment of Rates

Each Series 2009 Bond in a Weekly Rate Mode (other than a Bank Bond) will bear interest at a Weekly Rate. Each Weekly Rate will be determined by the Remarketing Agent for such Series 2009 Bond to be the rate of interest that, if borne by such Series 2009 Bond 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 such Series 2009 Bond and which are comparable as to credit and maturity or tender dates with the credit and maturity or tender dates of such Series 2009 Bond, would be the lowest interest rate that would enable such Series 2009 Bond to be sold on the first day of the applicable Weekly Rate Period at a price of par, plus accrued interest, if any. In no event may the interest rate on any Series 2009 Bond for any Weekly Rate Period exceed the Maximum Rate. The Weekly Rate is to be determined on each Wednesday no later than 5:00 p.m., New York City time, provided that if such Wednesday is not a Business Day, then such rate will be determined on the prior Business Day.

If for any reason (i) the Weekly Rate for a Weekly Rate Period is not established as aforesaid, (ii) no Remarketing Agent is serving under the Series 2009 Bond Series Certificate, (iii) the Weekly Rate so established is held to be invalid or unenforceable with respect to a Weekly Rate Period or (iv) pursuant to the Remarketing Agreement the Remarketing Agent is not then required to establish a Weekly Rate, then the Weekly Rate for such Weekly Rate Period shall be the SIFMA Municipal Index on the date such Weekly Rate was to have been determined by the Remarketing Agent.

Conversion of Interest Rate Mode

The Authority at the direction of the School, subject to certain conditions set forth in the Series 2009 Bond Series Certificate, may convert the Series 2009 Bonds from the Weekly Rate Mode to a different Rate Mode.

If the Series 2009 Bonds are to be converted from the Weekly Rate Mode to a different Rate Mode, the Authority shall give written notice of such conversion (a "Conversion Notice") to the Trustee, the Rating Service, the Depository, the Remarketing Agent and the Bank, not less than 20 days prior to the Conversion Date, or such shorter period as the Depository may permit. As soon as practicable after receipt of the Conversion Notice, but in any event not less than 15 days prior to the Conversion Date, the Trustee shall give

notice by first-class mail to the Holders of the Series 2009 Bonds to be converted. The Conversion Notice must set forth, among other things, (a) the Conversion Date, (b) that the conversion will not occur unless certain conditions described in the Series 2009 Bond Series Certificate have been satisfied, (c) that the Series 2009 Bonds shall be subject to mandatory tender for purchase on the Conversion Date at the Purchase Price, and (d) that if and to the extent that there shall be on deposit with the Trustee on the Conversion Date Available Money sufficient to pay the Purchase Price of the Series 2009 Bonds, such Series 2009 Bonds not delivered to the Trustee on the Conversion Date shall be deemed to have been properly tendered for purchase and shall cease to constitute or represent a right on behalf of the Holder thereof to the payment of principal of and interest thereon and shall represent and constitute only the right to payment of the Purchase Price on deposit with the Trustee, without interest accruing thereon from and after the Conversion Date.

In the event the requirements described in the preceding paragraph are not met, or the Remarketing Agent notifies the Trustee, the Authority, the School and the Bank, that the Series 2009 Bonds to be converted cannot be remarketed, or the Authority, at the direction of the School, provides written notification to the Remarketing Agent, the Bank and the Trustee of its determination not to convert the Series 2009 Bonds 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.

Optional Tender

The Holders of Series 2009 Bonds (other than Bank Bonds and Series 2009 Bonds owned by or on behalf of the School or the Authority) may elect to tender their Series 2009 Bonds (or portions thereof in Authorized Denominations) for purchase at the Purchase Price on any Business Day (an “Optional Tender Date”).

To exercise the tender option, a Bondholder must deliver to the Remarketing Agent and Trustee at their principal offices, not later than 5:00 p.m., New York City time, on the seventh calendar day preceding the Optional Tender Date, written notice which states (i) the aggregate principal amount in an Authorized Denomination of each Series 2009 Bond to be purchased, and (ii) that each such Series 2009 Bond (or portion thereof in an Authorized Denomination) is to be purchased on the Optional Tender Date.

As long as the Series 2009 Bonds are registered in the name of Cede & Co., as nominee of DTC, the tender option may only be exercised by a DTC participant (as hereinafter discussed) on behalf of a Beneficial Owner (as hereinafter defined) of Series 2009 Bonds by giving written notice of its election to tender at the times and in the manner described above. An election to tender a Series 2009 Bond for purchase is irrevocable and binding on the Holder or DTC participant making such election, the Beneficial Owner on whose behalf the notice was given and on any transferee thereof.

Mandatory Tender

The Series 2009 Bonds shall be subject to mandatory tender for purchase, at a Purchase Price equal to the principal amount thereof, plus accrued interest, if any, thereon to the purchase date (the “Mandatory Tender Date”): (i) on any Conversion Date, (ii) on a Business Day that is not less than three Business Days prior to the Expiration Date of the then current Letter of Credit, (iii) on the effective date a Confirming Letter of Credit or substitute Letter of Credit is delivered with respect to the Series 2009 Bonds (or if such day is not a Business Day, on the immediately preceding Business Day), (iv) fifteen (15) days following the Trustee’s receipt of a Default Notice delivered by the Bank or its agent in accordance with the provisions of the Reimbursement Agreement and (v) on any Reset Date at the election of the Authority made at the request of the School.

Delivery of Tendered Bonds

Series 2009 Bonds or portions thereof, other than Series 2009 Bonds registered in the name of DTC or its nominee, Cede & Co., for which an election to tender has been made and Series 2009 Bonds subject to mandatory tender are to be delivered and surrendered to the Trustee at its principal corporate trust office in the City of New York on the Optional Tender Date or Mandatory Tender Date. If on the Optional Tender Date or the Mandatory Tender Date there is on deposit with the Trustee sufficient moneys to pay the Purchase Price of the Tendered Bonds, such Bonds will be deemed tendered without physical delivery to the Trustee and the Holders or DTC Participants and Beneficial Owners of such Bonds will have no further rights thereunder other than the right to the payment of the Purchase Price. The Purchase Price for Tendered Bonds is payable solely from Available Money from the following sources and in the following order of priority: first, the moneys derived from the remarketing of such Series 2009 Bonds; second, the moneys made available pursuant to the Letter of Credit or any Confirming Letter of Credit if one is then in effect; and third, the moneys made available by the School (although there can be no assurance that the School will have sufficient moneys available to it in the event remarketing proceeds and any amounts available pursuant to the Letter of Credit are insufficient therefor). The Authority has no obligation to pay the Purchase Price out of any other moneys.

Remarketing and Purchase

The Remarketing Agent is required to use its best efforts to remarket the Tendered Bonds. The Remarketing Agent shall not, during any period during which the Letter of Credit is in effect, remarket Tendered Bonds (A) if upon such remarketing the amount available to be drawn under the Letter of Credit or any Confirming Letter of Credit for the payment of the principal or Purchase Price of the Outstanding Series 2009 Bonds is less than the principal of Series 2009 Bonds that are not Bank Bonds, or the amount available to be drawn under the Letter of Credit or Confirming Letter of Credit, if any, for payment of the interest on such Outstanding Series 2009 Bonds is less than the minimum amount determined in accordance with the Series 2009 Bond Series Certificate, (B) if the Letter of Credit or Confirming Letter of Credit, if any, then in effect will expire or terminate within twenty (20) days after the Tender Date, unless and until the Letter of Credit or Confirming Letter of Credit, if any, has been extended or a substitute Letter of Credit or Confirming Letter of Credit, if any, is delivered to the Trustee in accordance with the Series 2009 Bond Series Certificate and (C) if the Bank has delivered a Default Notice and such Default Notice remains in effect and has not been annulled or rescinded.

No Tendered Bonds shall be remarketed by the Remarketing Agent for purchase by or on behalf of the Authority or the School unless there has been delivered to the Trustee an Opinion of Bond Counsel and an opinion of counsel reasonably satisfactory to the Trustee and the Rating Agency rating the Series 2009 Bonds to the effect that payment of the Purchase Price of Tendered Bonds from money paid by or on behalf of the Authority or the School 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 School thereunder.

Purchase of Tendered Bonds

On the Tender Date the Tendered Bonds shall be purchased with Available Money at the Purchase Price, which shall be paid by 3:00 P.M., New York City time, on the Tender Date. The Purchase Price for the Tendered Bonds shall be paid by the Trustee from amounts available in the Purchase and Remarketing Fund as provided in the Series 2009 Bond Series Certificate. If and to the extent Available Money is not available from the preceding sources, Tendered Bonds shall be paid by the Trustee from any other money made available by the Law School. No Tendered Bond so purchased by the Bank or with money made available by the Bank shall cease to be Outstanding solely by reason of the purchase thereof.

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

Rate Period Table

The following Weekly Rate Period Table is provided for the convenience of Holders of the Series 2009 Bonds. The information contained in the chart is not intended to be comprehensive. Reference is made to the above description and to the Resolution and the Series 2009 Bond Series Certificate for a more complete description.

Weekly Rate Period Table

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

Redemption Provisions

The Series 2009 Bonds are subject to optional, special and mandatory redemption as described below.

Optional Redemption

While the Series 2009 Bonds bear interest at a Weekly Rate, the Series 2009 Bonds are subject to optional redemption at the election of the Authority in whole or in part on any Business Day at a redemption price equal to 100% of the principal amount of the Series 2009 Bonds or portions thereof to be redeemed plus accrued interest, if any, to the date of redemption.

Special Redemption

The Series 2009 Bonds are also subject to redemption, in whole or in part, at 100% of the principal amount thereof, plus accrued interest to the date of redemption, at the option of the Authority on any Interest Payment Date (i) from proceeds of a condemnation or insurance award, which proceeds are not used to repair, restore or replace the Project and (ii) from unexpended proceeds of the Series 2009 Bonds upon abandonment of all or a portion of the Project due to a legal or regulatory impediment.

Mandatory Redemption

The Series 2009 Bonds are also subject to mandatory sinking fund redemption, in part, on the Interest Payment Date occurring on the first Business Day in July of each of the following years and in the respective principal amounts set forth below, at a redemption price of 100% of the principal amount thereof, plus accrued interest to the date of redemption:

<u>Series 2009 Bonds</u>	
<u>Year</u>	<u>Sinking Fund Installments</u>
2012	600,000
2013	595,000
2014	595,000
2015	650,000
2016	660,000
2017	675,000
2018	700,000
2019	730,000
2020	715,000
2021	760,000
2022	765,000
2023	775,000
2024	795,000
2025	820,000
2026	855,000
2027	900,000
2028	905,000
2029	970,000
2030	995,000
2031	980,000
2032	1,025,000
2033	1,085,000
2034	1,105,000
2035	1,135,000
2036	1,180,000
2037	9,640,000
2038*	9,890,000

* Final maturity.

Redemption of Bank Bonds. The Series 2009 Bonds that are Bank Bonds will be subject to redemption prior to maturity in whole or in part at the option of the Bank at a Redemption Price equal to 100% of the principal amount of the Bank Bonds or portion thereof to be redeemed at the times and in the principal

amounts required by the Reimbursement Agreement. ***Bank Bonds are to be redeemed prior to other Series 2009 Bonds.***

Selection of Series 2009 Bonds to be Redeemed. If less than all of the Series 2009 Bonds of a maturity are to be redeemed (pursuant to an optional, special or mandatory redemption), the Trustee shall select Bank Bonds of such maturity before selecting any other such Series 2009 Bonds for purchase. Series 2009 Bonds of such maturity that are not Bank Bonds shall be selected for purchase by the Trustee, by lot, using such method of selection as the Trustee shall consider proper in its discretion.

Notice of Redemption. The Trustee is to give notice of the redemption of the Series 2009 Bonds bearing interest at a Weekly Rate in the name of the Authority which notice shall be given by first-class mail, postage prepaid, not less than 15 days nor more than 30 days prior to the redemption date to the registered owners of any Series 2009 Bonds which are to be redeemed, at their last known addresses appearing on the registration books of the Authority not more than 10 Business Days prior to the date such notice is given. The failure of any owner of a Series 2009 Bond to be redeemed to receive notice of redemption thereof will not affect the validity of the proceedings for the redemption of such Series 2009 Bond. If directed in writing by an Authorized Officer of the Authority, the Trustee shall publish or cause to be published such notice in an Authorized Newspaper not less than 15 days nor more than 30 days prior to the redemption date, but such publication is not a condition precedent to such redemption and failure to publish such notice or any defect in such notice or publication will not affect the validity of the proceedings for the redemption of such Series 2009 Bonds. A copy of such notice shall promptly be delivered to the Bank.

If on the redemption date moneys for the redemption of the Series 2009 Bonds of like maturity to be redeemed, together with interest thereon to the redemption date, are held by the Trustee so as to be available for payment of the redemption price, and if notice of redemption shall have been mailed, then interest on the Series 2009 Bonds of such maturity will cease to accrue from and after the redemption date and such Bonds will no longer be considered to be Outstanding under the Resolution and the Series 2009 Resolution.

For a more complete description of the redemption and other provisions relating to the Series 2009 Bonds, see “Appendix C - Summary of Certain Provisions of the Resolution.”

Purchase in lieu of Optional Redemption

The Series 2009 Bonds are subject to purchase prior to maturity at the election of the School, with the prior written consent of the Authority, in whole or in part, on any Business Day, at a Purchase Price equal to 100% of the principal amount of each Series 2009 Bond or portion thereof to be purchased, plus accrued interest, if any, to the purchase date.

If the School elects to purchase Series 2009 Bonds, the School will give written notice to the Authority, the Trustee and the Bank of such election, setting forth the maturity to be so purchased. The Trustee shall cause notice of the purchase of Series 2009 Bonds to be given by mailing a copy of such notice by first-class mail, postage prepaid, not less than 15 nor more than 30 days prior to such purchase date. Each notice of purchase will state (i) in addition to any other condition, that the purchase is conditioned upon the availability on the purchase date of Available Money sufficient to pay the Purchase Price of the Series 2009 Bonds to be purchased, (ii) such other conditions as the School shall prescribe, (iii) the Series 2009 Bonds or portion thereof to be purchased, (iv) the purchase date or dates and (v) that the Series 2009 Bonds to be purchased are to be delivered to the Trustee on the purchase date and that Series 2009 Bonds to be purchased not so delivered will be deemed duly tendered to the Trustee for purchase on the purchase date.

Notice of purchase having been given in the manner required, then, the Series 2009 Bonds to be purchased shall be tendered for purchase on the purchase date, and thereafter, if sufficient money to pay the

purchase price of such Series 2009 Bonds is held by the Trustee, the purchase price of the Series 2009 Bonds or portions thereof so called for purchase shall become due and payable on the date set for purchase. If such money shall not be so available on the purchase date, such Series 2009 Bonds or portions thereof shall continue to be registered in the name of the registered owner on the purchase date and the registered owners shall be entitled to receive the payments of the principal of and interest on such Series 2009 Bonds in accordance with their respective terms. No Series 2009 Bond shall be considered to be no longer outstanding by virtue of its purchase.

If less than all of the Outstanding Series 2009 Bonds of like maturity and bearing interest in the same Rate Mode and for the same Rate Period are to be purchased, the Trustee shall select Bank Bonds of such maturity and bearing interest in such Rate Mode and for such Rate Period before selecting any other such Series 2009 Bonds for purchase. Series 2009 Bonds of such maturity and bearing interest in such Rate Modes and for such Rate Periods that are not Bank Bonds shall be selected for purchase by the Trustee, by lot, using such method of selection as it deems proper in its discretion in the same manner as prescribed for redemption.

Special Considerations Relating to the Series 2009 Bonds Bearing Interest at a Weekly Rate

The Remarketing Agent Is Paid by the School. The Remarketing Agent's responsibilities include determining the interest rate from time to time and using best efforts to remarket Series 2009 Bonds that are optionally or mandatorily tendered by the owners thereof (subject, in each case, to the terms of the Remarketing Agreement and the Series 2009 Bond Series Certificate), as further described in this Official Statement. The Remarketing Agent is appointed by the Authority and is paid by the School for its services. As a result, the interests of the Remarketing Agent may differ from those of existing Series 2009 Bondholders and potential purchasers of Series 2009 Bonds.

The Remarketing Agent Routinely Purchases Bonds for Its Own Account. The Remarketing Agent acts as remarketing agent for a variety of variable rate demand obligations and, in its sole discretion, routinely purchases such obligations for its own account. The Remarketing Agent is permitted, but not obligated, to purchase tendered Series 2009 Bonds for its own account and, in its sole discretion, routinely acquires such tendered variable rate demand obligations in order to achieve a successful remarketing of such obligations (*i.e.*, because there otherwise are not enough buyers to purchase such obligations) or for other reasons. However, the Remarketing Agent is not obligated to purchase Series 2009 Bonds, and may cease doing so at any time without notice. The Remarketing Agent may also make a market in the Series 2009 Bonds by routinely purchasing and selling Series 2009 Bonds other than in connection with an optional or mandatory tender and remarketing. Such purchases and sales may be at or below par. However, the Remarketing Agent is not required to make a market in the Series 2009 Bonds. The Remarketing Agent may also sell any Series 2009 Bonds it has purchased to one or more affiliated investment vehicles for collective ownership or enter into derivative arrangements with affiliates or others in order to reduce its exposure to the Series 2009 Bonds. The purchase of Series 2009 Bonds by the Remarketing Agent may create the appearance that there is greater third party demand for the Series 2009 Bonds in the market than is actually the case. The practices described above also may result in fewer Series 2009 Bonds being tendered in a remarketing.

Bonds May Be Offered at Different Prices on Any Date Including a Reset Date. Pursuant to the Remarketing Agreement, the Remarketing Agent is required to use its best efforts to determine the rate of interest that, in its judgment, is the lowest rate that would permit the sale of the Series 2009 Bonds bearing interest at the interest rate at par plus accrued interest, if any, on and as of the Reset Date. The interest rate will reflect, among other factors, the level of market demand for the Series 2009 Bonds (including whether the Remarketing Agent is willing to purchase Bonds for its own account). There may or may not be Series 2009 Bonds tendered and remarketed on a Reset Date, the Remarketing Agent may or may not be able to

remarket any Series 2009 Bonds tendered for purchase on such date at par and the Remarketing Agent may sell Series 2009 Bonds at varying prices to different investors on such date or any other date. The Remarketing Agent is not obligated to advise purchasers in a remarketing if it does not have third party buyers for all of the Series 2009 Bonds at the remarketing price. In the event the Remarketing Agent owns any Series 2009 Bonds for its own account, it may, in its sole discretion in a secondary market transaction outside the tender process, offer such Series 2009 Bonds on any date, including the Reset Date, at a discount to par to some investors.

The Ability to Sell the Series 2009 Bonds Other Than through Tender Process May Be Limited. The Remarketing Agent may buy and sell Series 2009 Bonds other than through the tender process. However, it is not obligated to do so and may cease doing so at any time without notice and may require Holders that wish to tender their Series 2009 Bonds to do so through the Trustee with appropriate notice. Thus, investors who purchase the Series 2009 Bonds, whether in a remarketing or otherwise, should not assume that they will be able to sell their Series 2009 Bonds other than by tendering the Series 2009 Bonds in accordance with the tender process.

Under Certain Circumstances, the Remarketing Agent May be Removed, Resign or Cease Remarketing the Series 2009 Bonds, Without a Successor Being Named. Under certain circumstances the Remarketing Agent may be removed or have the ability to resign or cease its remarketing efforts, without a successor having been named, subject to the terms of the Remarketing Agreement and the Series 2009 Bond Series Certificate. In the event there is no Remarketing Agent, the Trustee may assume such duties as described in the Resolutions and the Series 2009 Bond Series Certificate, which are limited to accepting notices of tender.

There are Certain Risks Related to the Letter of Credit. The Bank's obligation under the Letter of Credit will be a general obligation of the Bank. There can be no assurance that the Bank will maintain its present financial condition or that an adverse change in such condition will not adversely affect its ability to honor future drawings under the Letter of Credit. A change in the creditworthiness of the Bank, the issuer of any Confirming Letter of Credit, or of any subsequent provider of a substitute Letter of Credit could result in a change in the rating on the Series 2009 Bonds. Default by the Bank under the Letter of Credit or by the issuer of a Confirming Letter of Credit under a Confirming Letter of Credit, if any, may result in insufficient revenues being available to pay the principal and Purchase Price and interest on the Series 2009 Bonds. See "Appendix D – Summary of Certain Provisions of the Reimbursement Agreement".

Failure to Extend the Letter of Credit or Confirming Letter of Credit or Failure to Obtain a Substitute Letter of Credit. If the Letter of Credit is not extended (and, if a Confirming Letter of Credit is issued and not extended), and a substitute Letter of Credit (or substitute Confirming Letter of Credit, if applicable) is not obtained, the Series 2009 Bonds will be subject to mandatory tender for purchase at the principal amount, without premium, plus accrued interest to the Tender Date. See PART 3 – "THE SERIES 2009 BONDS – Description of the Series 2009 Bonds – Security for the Series 2009 Bonds – Optional Tender" and "-Mandatory Tender" herein. There can be no assurance that the School will be able to obtain an extension of the Letter of Credit. The Bank is under no obligation to extend the Letter of Credit beyond the scheduled expiration thereof.

Ratings. The rating on the Series 2009 Bonds is dependent on the ratings of the Bank and, if applicable, the issuer of any Confirming Letter of Credit. See PART 18 - "RATINGS" herein. The Bank's current ratings are predicted upon among other things, a level of reserves required by banking institutions. The level of reserves maintained by the Bank could change over time and this could result in a downgrading of the rating on the Series 2009 Bonds. The Bank is not contractually bound to maintain its present level of reserves in the future nor is it contractually bound to maintain its current credit rating. No provision has been

made for confirmation or replacement of, or substitution for the Bank in the event of any deterioration in the financial condition of the Bank.

Book-Entry Only System

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

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

Purchases of Series 2009 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2009 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2009 Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2009 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2009 Bonds, except in the event that use of the book-entry system for the Series 2009 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2009 Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2009 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2009 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2009 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

Redemption notices shall be sent to DTC. If less than all of the Series 2009 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2009 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2009 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, redemption premium, if any, and interest payments on the Series 2009 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, the School, the Bank or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption premium, if any, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Series 2009 Bond tendered for purchase, through its Participant, to the Trustee and the Remarketing Agent, and shall effect delivery of such Series 2009 Bond by causing the Direct Participant to transfer the Participant's interest in the Series 2009 Bond, on DTC's records, to the Trustee. The requirement for physical delivery of Series 2009 Bonds in accordance with an optional tender for purchase will be deemed satisfied when the ownership rights in the Series 2009 Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Series 2009 Bonds to the Trustee's DTC account.

The Authority and the Trustee may treat DTC (or its nominee) as the sole and exclusive registered owner of the Series 2009 Bonds registered in its name for the purposes of payment of the principal and redemption premium, if any, of, or interest on, the Series 2009 Bonds, giving any notice permitted or required to be given to registered owners under the Resolution, registering the transfer of the Series 2009 Bonds, or other action to be taken by registered owners and for all other purposes whatsoever. The Authority and the Trustee shall not have any responsibility or obligation to any Direct or Indirect Participant, any person claiming a beneficial ownership interest in the Series 2009 Bonds under or through DTC or any Direct or Indirect Participant, or any other person which is not shown on the registration books of the Authority (kept by the Trustee) as being a registered owner, with respect to the accuracy of any records maintained by DTC or any Direct or Indirect Participant; the payment by DTC or any Direct or Indirect Participant of any amount in respect of the principal, redemption premium, if any, or interest on the Series 2009 Bonds; any notice which is permitted or required to be given to registered owners thereunder or under the conditions to transfers or exchanges adopted by the Authority; or other action taken by DTC as registered owner. Interest, redemption

premium, if any, and principal will be paid by the Trustee to DTC, or its nominee. Disbursement of such payments to the Direct or Indirect Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of the Direct or Indirect Participants.

DTC may discontinue providing its service as depository with respect to the Series 2009 Bonds at any time by giving reasonable notice to the Authority and the Trustee. Under such circumstances, in the event that a successor depository is not obtained, the Series 2009 Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, the Series 2009 Bond certificates will be printed and delivered to DTC.

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

Each person for whom a Participant acquires an interest in the Series 2009 Bonds, as nominee, may desire to make arrangements with such Participant to receive a credit balance in the records of such Participant, and may desire to make arrangements with such Participant to have all notices of redemption or other communications of DTC, which may affect such persons, to be forwarded in writing by such Participant and to have notification made of all interest payments. NEITHER THE AUTHORITY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE SERIES 2009 BONDS.

So long as Cede & Co. is the registered owner of the Series 2009 Bonds, as nominee for DTC, references herein to the Bondholders or registered owners of the Series 2009 Bonds (other than under the caption "PART 11 – TAX MATTERS" herein) shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Series 2009 Bonds.

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

For every transfer and exchange of Series 2009 Bonds, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

The Authority, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Series 2009 Bonds if the Authority determines that (i) DTC is unable to discharge its responsibilities with respect to the Series 2009 Bonds or (ii) a continuation of the requirement that all of the Outstanding Series 2009 Bonds be registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of DTC, is not in the best interests of the Beneficial Owners. In the event that no substitute securities depository is found by the Authority or restricted registration is no longer in effect, Series 2009 Bond certificates will be delivered as described in the Resolutions and the Series 2009 Bond Series Certificate.

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

MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT, (II) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE SERIES 2009 BONDS UNDER THE RESOLUTIONS; (III) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SERIES 2009 BONDS; (IV) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR REDEMPTION PREMIUM, IF ANY, OR INTEREST DUE WITH RESPECT TO THE SERIES 2009 BONDS; (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF THE SERIES 2009 BONDS; OR (VI) ANY OTHER MATTER.

PART 4 – THE BANK

The following information concerning the Bank has been provided by representatives of the Bank and has not been independently confirmed or verified by either the Underwriter or the Authority. No representation is made herein as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information given below or incorporated herein by reference is correct as of any time subsequent to its date.

TD Bank, N.A. (the “Bank”) is a national banking association organized under the laws of the United States, with its main office located in Wilmington, Delaware. The Bank is an indirect, wholly-owned subsidiary of The Toronto-Dominion Bank (“TD”) and, operating under the brand names TD Banknorth and TD Bank, offers a full range of banking services and products to individuals, businesses and governments throughout its market areas, including commercial, consumer, trust, investment advisory and insurance agency services. The Bank operates banking offices in Connecticut, Delaware, the District of Columbia, Florida, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Vermont and Virginia.

On October 2, 2007, TD entered into a merger agreement with Commerce Bancorp, Inc. (“Commerce”), the holding company for Commerce Bank, N.A., Philadelphia, Pennsylvania, and Commerce Bank/North, Ramsey, New Jersey (together, the “Commerce Banks”), which provided for Commerce to be acquired by TD. The acquisition was consummated on March 31, 2008. On May 31, 2008, the Commerce Banks merged with and into TD Banknorth, N.A. (“TD Banknorth”) and the legal name of the resulting entity was changed to “TD Bank, N.A.” As of March 31, 2009, the Bank had consolidated assets of \$106.98 billion, consolidated deposits of \$79.90 billion and stockholder's equity of \$19.53 billion, based on regulatory accounting principles.

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

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

The Letter of Credit is the obligation of the Bank and not TD.

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

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

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

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

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

TD Bank, N.A, as provider of the initial Letter of Credit, has furnished the information relating to the Bank contained under this "PART 4 – THE BANK" and "Appendix D – Summary of Certain Provisions of the Reimbursement Agreement" (the "TD Bank Information"), but has not supplied or verified any other information in this Official Statement. Accordingly, the Bank assumes no responsibility for and makes no representation or warranty as to the accuracy or completeness of information contained in any other part of this Official Statement. None of the Authority, the Trustee, the School, or the Underwriter has independently verified the TD Bank Information or takes any responsibility for the accuracy or completeness thereof.

PART 5 – THE SCHOOL

THE FOLLOWING INFORMATION IS FURNISHED SOLELY TO PROVIDE LIMITED INTRODUCTORY INFORMATION ABOUT THE SCHOOL AND DOES NOT PURPORT TO BE COMPREHENSIVE. AS DESCRIBED IN THIS OFFICIAL STATEMENT, THE SERIES 2009 BONDS ARE SECURED BY THE LETTER OF CREDIT AND THEREFORE THIS OFFICIAL STATEMENT DOES NOT CONTAIN INFORMATION RELATING TO THE SCHOOL OR ITS ABILITY TO PAY PRINCIPAL AND PURCHASE PRICE OF AND INTEREST ON THE SERIES 2009 BONDS.

THE INVESTMENT DECISION TO PURCHASE THE SERIES 2009 BONDS SHOULD BE MADE SOLELY ON THE BASIS OF THE CREDITWORTHINESS OF THE BANK, AS ISSUER OF THE LETTER OF CREDIT. PROSPECTIVE INVESTORS SHOULD LOOK SOLELY TO THE BANK AND THE LETTER OF CREDIT FOR PAYMENTS OF THE PRINCIPAL AND PURCHASE PRICE OF OR INTEREST ON THE SERIES 2009 BONDS. THE OWNERS OF THE SERIES 2009 BONDS WILL NOT BE ABLE TO ASSESS THE LIKELIHOOD THAT PAYMENT OF THE SERIES 2009 BONDS WILL BE SUBJECT TO REDEMPTION OR MANDATORY TENDER BEFORE THE STATED MATURITY THEREOF BECAUSE OF AN EVENT OF DEFAULT UNDER THE REIMBURSEMENT AGREEMENT.

New York Law School (the “School”), established in 1891, is one of the oldest and largest independent law schools in the United States. The School operates under a charter granted by the Board of Regents of the State of New York, is accredited by the American Bar Association, and is a member of the Association of American Law Schools. The School’s curriculum is registered with and approved by the New York State Education Department.

The School offers the course of study leading to the Juris Doctor (J.D.) degree through full-time day (three-year), and part-time day and evening divisions (four-year). Students admitted to the School are required to hold a baccalaureate degree granted by an accredited college or university. The School also offers joint degree programs, the J.D./M.B.A., with Baruch College, City University of New York, and joint Bachelor's /J.D. programs with Stevens School of Technology and also with Adelphi University. In the fall semester 2003, the School began offering the Master of Laws (LL.M.) in Taxation, becoming one of only two law schools in the New York City area to offer this advanced training to tax attorneys.

PART 6 – THE PROJECT

The Project consists of (i) completing construction and equipping of the Academic Building described in PART 1 – “INTRODUCTION – IDA Bonds” and relocating the Mendik Law Library, (ii) making two separate connections between the Academic Building and the existing building at 47–57 Worth Street in New York, New York (the “Administrative Building”), (iii) with respect to the Administrative Building, converting certain classrooms into office space, renovating existing office space, providing student lockers and performing building exterior work; and (iv) making leasehold improvements to the leased premises at 40 Worth Street to accommodate several academic centers/programs and the office of Admissions and Financial Aid including faculty offices, conference rooms and student work space.

PART 7 – ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds are as follows:

Sources of Funds

Principal Amount of Bonds	\$40,500,000.00
Total Sources.....	\$40,500,000.00

Use of Funds

Deposit to Project Account.....	\$34,368,159.49
Deposit to Capitalized Interest Account.....	\$4,804,441.70
Costs of Issuance ¹	<u>\$1,327,398.81</u>
Total Uses.....	\$40,500,000.00

¹ Includes underwriter's discount, legal, Letter of Credit fees, state issuance fee and costs related to Series 2009 Bonds.

PART 8 – 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 March 31, 2009, the Authority had approximately \$37.9 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 March 31, 2009 were as follows:

<u>Public Programs</u>	<u>Bonds Issued</u>	<u>Bonds Outstanding</u>	<u>Notes Outstanding</u>	<u>Bonds and Notes Outstanding</u>
State University of New York Dormitory Facilities	\$2,250,196,000	\$ 974,760,000	\$ 0	\$ 974,760,000
State University of New York Educational and Athletic Facilities.....	12,287,697,999	5,284,232,634	0	5,284,232,634
Upstate Community Colleges of the State University of New York.....	1,431,000,000	604,840,000	0	604,840,000
Senior Colleges of the City University of New York.....	9,663,821,762	2,934,864,213	0	2,934,864,213
Community Colleges of the City University of New York.....	2,364,178,350	508,140,787	0	508,140,787
BOCES and School Districts.....	2,000,366,208	1,488,605,000	0	1,488,605,000
Judicial Facilities	2,161,277,717	731,557,717	0	731,557,717
New York State Departments of Health and Education and Other	5,198,240,000	3,551,125,000	0	3,551,125,000
Mental Health Services Facilities	6,811,595,000	3,676,845,000	0	3,676,845,000
New York State Taxable Pension Bonds		773,475,000	0	0
Municipal Health Facilities Improvement Program.....	<u>985,555,000</u>	<u>782,980,000</u>	<u>0</u>	<u>782,980,000</u>
Totals Public Programs.....	<u>\$45,927,403,036</u>	<u>\$20,537,950,351</u>	<u>\$ 0</u>	<u>\$20,537,950,351</u>
<u>Non-Public Programs</u>	<u>Bonds Issued</u>	<u>Bonds Outstanding</u>	<u>Notes Outstanding</u>	<u>Bonds and Notes Outstanding</u>
Independent Colleges, Universities and Other Institutions	\$16,855,471,020	\$8,270,366,644	\$191,005,000	\$8,461,371,644
Voluntary Non-Profit Hospitals.....	13,459,114,309	7,866,030,000	0	7,866,030,000
Facilities for the Aged	1,996,020,000	1,002,860,000	0	1,002,860,000
Supplemental Higher Education Loan Financing Program	<u>95,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Totals Non-Public Programs	<u>\$32,405,605,329</u>	<u>\$17,139,256,644</u>	<u>\$191,005,000</u>	<u>\$17,330,261,644</u>
Grand Totals Bonds and Notes	<u>\$78,333,008,365</u>	<u>\$37,677,206,995</u>	<u>\$191,005,000</u>	<u>\$37,868,211,995</u>

Outstanding Indebtedness of the Agency Assumed by the Authority

At March 31, 2009, the Agency had approximately \$370.4 million aggregate principal amount of bonds outstanding, the obligations as to all of which have been assumed by the Authority. The debt service on each such issue of bonds is paid from moneys received by the Authority (as successor to the Agency) or the trustee from or on behalf of the entity having facilities financed with the proceeds from such issue.

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

<u>Public Programs</u>	<u>Bonds Issued</u>	<u>Bonds Outstanding</u>
Mental Health Services Improvement Facilities..	<u>\$3,817,230,725</u>	<u>\$ 0</u>
<u>Non-Public Programs</u>	<u>Bonds Issued</u>	<u>Bonds Outstanding</u>
Hospital and Nursing Home Project Bond Program	\$ 226,230,000	\$ 3,255,000
Insured Mortgage Programs	6,625,079,927	359,484,720
Revenue Bonds, Secured Loan and Other Programs	<u>2,414,240,000</u>	<u>7,670,000</u>
Total Non-Public Programs	<u>\$9,265,549,927</u>	<u>\$ 370,409,720</u>
Total MCFFA Outstanding Debt.....	<u>\$13,082,780,652</u>	<u>\$ 370,409,720</u>

Governance

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

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

The current members of the Authority are as follows:

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

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

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

John B. Johnson, Jr. was appointed as a Member of the Authority by the Governor on June 20, 2007. Mr. Johnson is Chairman of the Board and Chief Executive Officer of the Johnson Newspaper Corporation, which publishes the Watertown Daily Times, Batavia Daily News, Malone Telegram, Catskill Daily Mail, Hudson Register Star, Ogdensburg Journal, Massena-Potsdam Courier Observer, seven weekly newspapers and three shopping newspapers. He is director of the New York Newspapers Foundation, a member of the Development Authority of the North Country and the Fort Drum Regional Liaison Committee, a trustee of Clarkson University and president of the Bugbee Housing Development Corporation. Mr. Johnson has been a member of the American Society of Newspaper Editors since 1978, and was a Pulitzer Prize juror in 1978,

1979, 2001 and 2002. He holds a Bachelor's degree from Vanderbilt University, and Master's degrees in Journalism and Business Administration from the Columbia University Graduate School of Journalism and Business. Mr. Johnson was awarded an Honorary Doctor of Science degree from Clarkson University. Mr. Johnson's term expires on March 31, 2010.

JACQUES JIHA, Ph.D., Woodbury.

Jacques Jiha was appointed as a Member of the Authority by the Governor on December 15, 2008. Mr. Jiha is an Executive Vice President and the Chief Financial Officer of Earl G. Graves, Ltd., a multi-media company that includes *Black Enterprise* magazine. He is also a member of the Investment Advisory Committee of the New York Common Retirement Fund. Mr. Jiha has previously served as Deputy Comptroller for Pension Investment and Public Finance in the Office of the New York State Comptroller and as Co-Executive Director of the New York Local Government Assistance Corporation (LGAC). Prior thereto, Mr. Jiha was Nassau County Deputy Comptroller for Audits and Finances. He also worked for the New York City Office of the Comptroller in increasingly responsible positions: first as Chief Economist and later as Deputy Comptroller for Budget. Mr. Jiha has served as Executive Director of the New York State Legislative Tax Study Commission and as Principal Economist for the New York State Assembly Committee on Ways and Means. He holds a Ph.D. and a Master's degree in Economics from the New School University and a Bachelor's degree in Economics from Fordham University. His current term expires on March 31, 2010.

BRIAN RUDER, Scarsdale.

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

ANTHONY B. MARTINO, CPA, Buffalo.

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

SANDRA M. SHAPARD, Delmar.

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

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

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

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

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

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

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

Department of Environmental Conservation. Ms. Anglin holds a Bachelor of Arts degree and a Masters degree in Economics from the State University of New York at Albany.

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

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

The principal staff of the Authority is as follows:

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

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

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

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

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

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

CARRA WALLACE is the Managing Director of the Office of Executive Initiatives (OEI). In that capacity, she oversees the Authority's Communications and Marketing, Opportunity Programs, Environmental Initiatives, Client Outreach, Training, Executive Projects, and Legislative Affairs units. Ms. Wallace is responsible for strategic efforts in developing programs, maximizing the utilization of Minority and Women Owned Businesses, and communicating with Authority clients, the public and governmental officials. She possesses more than twenty years of senior leadership experience in diverse private sector businesses and civic organizations. Ms. Wallace most recently served as Executive Vice President at Telwares, a major telecommunications service firm. Prior to her service at Telwares, Ms. Wallace served as Executive Vice President of External Affairs at the NYC Leadership Academy. She holds a Bachelor of Science degree in management from the Pepperdine University Graziadio School of Business and Management.

Claims and Litigation

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

Other Matters

New York State Public Authorities Control Board

The New York State Public Authorities Control Board (the "PACB") has authority to approve the financing and construction of any new or reactivated projects proposed by the Authority and certain other

public authorities of the State. The PACB approves the proposed new projects only upon its determination that there are commitments of funds sufficient to finance the acquisition and construction of the Project. The Authority has obtained the approval of the PACB for the issuance of the Series 2009 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 9 – LEGALITY OF THE SERIES 2009 BONDS FOR INVESTMENT AND DEPOSIT

Under New York State law, the Series 2009 Bonds are securities in which all public officers and bodies of the State and all municipalities and municipal subdivisions, all insurance companies and associations, all savings banks and savings institutions, including savings and loan associations, administrators, guardians, executors, trustees, committees, conservators and other fiduciaries in the State may properly and legally invest funds in their control.

The Series 2009 Bonds may be deposited with the State Comptroller to secure deposits of State moneys in banks, trust companies and industrial banks.

PART 10 – NEGOTIABLE INSTRUMENTS

The Series 2009 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 Series 2009 Bonds.

PART 11 – TAX MATTERS

Federal Income Taxes

The Internal Revenue Code of 1986, as amended (the “Code”), imposes certain requirements that must be met subsequent to the issuance and delivery of the Series 2009 Bonds for interest thereon to be and remain excluded from gross income for Federal income tax purposes. Noncompliance with such requirements could cause the interest on the Series 2009 Bonds to be included in gross income for Federal income tax purposes

retroactive to the date of issue of the Series 2009 Bonds. Pursuant to the Resolution, the Loan Agreement and the Tax Certificates executed in connection with the original authentication and delivery of the Series 2009 Bonds, the Authority and the School have covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Series 2009 Bonds from gross income for Federal income tax purposes pursuant to Section 103 of the Code. In addition, the Authority and the School have made certain representations and certifications in the Resolution, the Loan Agreement and the Tax Certificates. Bond Counsel will also rely on the opinion of Stroock & Stroock & Levan LLP, special counsel to the School, as to all matters concerning the status of the School 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 will not independently verify the accuracy of those representations and certifications or that opinion.

In the opinion of Nixon Peabody LLP, Bond Counsel, under existing law and assuming compliance with the aforementioned covenant, and the accuracy of certain representations and certifications made by the Authority and the School described above, interest on the Series 2009 Bonds is excluded from gross income for Federal income tax purposes under Section 103 of the Code. Bond Counsel is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code with respect to individuals and corporations. Interest on the Series 2009 Bonds is excluded from the adjusted current earnings of corporations for purposes of computing the alternative minimum tax imposed on corporations.

State Taxes

Bond Counsel is also of the opinion that interest on the Series 2009 Bonds is exempt from personal income taxes of the State of New York and its political subdivisions, including The City of New York and the City of Yonkers. Bond counsel expresses no opinion as to other state or local tax consequences arising with respect to the Series 2009 Bonds nor as to the taxability of the Series 2009 Bonds or the income therefrom under the laws of any state other than New York.

Ancillary Tax Matters

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

Commencing with interest paid in 2006, interest paid on tax-exempt obligations such as the Series 2009 Bonds is subject to information reporting to the Internal Revenue Service (the “IRS”) in a manner similar to interest paid on taxable obligations. In addition, interest on the Series 2009 Bonds may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner’s taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

Bond Counsel is not rendering any opinion as to any Federal tax matters other than those described in the opinions attached as Appendix E. 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 Series 2009 Bonds, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

Changes in Law and Post Issuance Events

Legislative or administrative actions and court decisions, at either the federal or state level, could have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Series 2009 Bonds for Federal or state income tax purposes, and thus on the value or marketability of the Series 2009 Bonds. This could result from changes to Federal or state income tax rates, changes in the structure of Federal or state income taxes (including replacement with another type of tax), repeal of the exclusion of the interest on the Series 2009 Bonds from gross income for Federal or state income tax purposes, or otherwise. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the Federal or state income tax treatment of holders of the Series 2009 Bonds may occur. Prospective purchasers of the Series 2009 Bonds should consult their own tax advisers regarding such matters.

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance and delivery of the Series 2009 Bonds may affect the tax status of interest on the Series 2009 Bonds. Bond Counsel expresses no opinion as to any Federal, state or local tax law consequences with respect to the Series 2009 Bonds, or the interest thereon, if any action is taken with respect to the Series 2009 Bonds or the proceeds thereof upon the advice or approval of other counsel.

PART 12 – STATE NOT LIABLE ON THE SERIES 2009 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. The Resolution specifically provides that the Series 2009 Bonds are not a debt of the State and that the State is not liable on them.

PART 13 – 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 14 – LEGAL MATTERS

Certain legal matters incidental to the authorization and issuance of the Series 2009 Bonds by the Authority are subject to the approval of Nixon Peabody LLP, New York, New York, Bond Counsel to the Authority, whose approving opinion will be delivered with the Series 2009 Bonds. The proposed forms of Bond Counsel's opinions are set forth in Appendix E hereto.

Certain legal matters will be passed upon for the School by its Special Counsel, Stroock & Stroock & Lavan LLP, New York, New York. Certain legal matters will be passed upon for the Underwriter by its Counsel, Bond, Arent Fox LLP, New York, New York. Certain legal matters will be passed upon for the Bank by its Counsel, Windels Marx Lane & Mittendorf, LLP, New York, New York.

There is not now pending any litigation restraining or enjoining the issuance or delivery of the Series 2009 Bonds or questioning or affecting the validity of the Series 2009 Bonds or the proceedings and authority under which they are to be issued. There is no litigation pending which in any manner questions the right of the Authority to finance The Project in accordance with the provisions of the Act, the Resolution, the Series 2009 Resolution and the Loan Agreement.

PART 15 – UNDERWRITING

Shattuck Hammond Partners, a division of Morgan Keegan & Company, Inc. (the “Underwriter”) has agreed, subject to certain conditions, to purchase the Series 2009 Bonds from the Authority at an aggregate purchase price of \$40,270,025, which represents the par amount of the Series 2009 Bonds less an Underwriter’s discount, and to make a public offering of Bonds at prices that are not in excess of the public offering price stated on the cover page of this Official Statement. The Underwriter will be obligated to purchase all such Series 2009 Bonds if any are purchased. The Series 2009 Bonds may be offered and sold to certain dealers (including the Underwriter) at prices lower than such public offering prices, or in the case of obligations sold on a yield basis, at yields other than shown on the cover of this Official Statement, and such public offering prices or yields may be changed, from time to time, by the Underwriter.

PART 16 – CONTINUING DISCLOSURE

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

PART 17 – BONDHOLDERS’ RISKS

AN INVESTMENT IN THE SERIES 2009 BONDS INVOLVES A DEGREE OF RISK. A BOND OWNER IS ADVISED TO READ THIS SECTION AND THE SECTION “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2009 BONDS” HEREIN FOR A DISCUSSION OF CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE SERIES 2009 BONDS. The paragraphs set forth below discuss certain owners’ risks, but are not intended to be a complete enumeration of all risks associated with the purchase or holding of the Series 2009 Bonds.

Introduction

AS DESCRIBED IN THIS OFFICIAL STATEMENT, THE SERIES 2009 BONDS ARE SECURED BY THE LETTER OF CREDIT AND THEREFORE THIS OFFICIAL STATEMENT DOES NOT CONTAIN INFORMATION RELATING TO THE SCHOOL OR ITS ABILITY TO PAY PRINCIPAL AND PURCHASE PRICE OF AND INTEREST ON THE SERIES 2009 BONDS.

THE INVESTMENT DECISION TO PURCHASE THE SERIES 2009 BONDS SHOULD BE MADE SOLELY ON THE BASIS OF THE CREDITWORTHINESS OF THE BANK, AS ISSUER OF THE LETTER OF CREDIT. PROSPECTIVE INVESTORS SHOULD LOOK SOLELY TO THE

BANK AND THE LETTER OF CREDIT FOR PAYMENTS OF THE PRINCIPAL AND PURCHASE PRICE OF OR INTEREST ON THE SERIES 2009 BONDS. THE OWNERS OF THE SERIES 2009 BONDS WILL NOT BE ABLE TO ASSESS THE LIKELIHOOD THAT PAYMENT OF THE SERIES 2009 BONDS WILL BE SUBJECT TO REDEMPTION OR MANDATORY TENDER BEFORE THE STATED MATURITY THEREOF BECAUSE OF AN EVENT OF DEFAULT UNDER THE REIMBURSEMENT AGREEMENT OR LOAN AGREEMENT. The discussion of risk factors below is not, and is not intended to be, exhaustive.

Default by the Bank; Confirming Letter of Credit, Substitute Letter of Credit

The Letter of Credit securing the Series 2009 Bonds is the primary expected source of payment of principal of and interest on the Series 2009 Bonds. The Bank's obligation under the Letter of Credit is a general obligation of the Bank, which is not guaranteed or secured, in whole or in part, by the United States of America or any agency or instrumentality thereof. Default by the Bank under the Letter of Credit may result in insufficient revenues being available to pay the principal and purchase price of, and premium, if any, and interest on the Series 2009 Bonds.

In the event of the bankruptcy or insolvency or if for any other reason the Bank fails or is unable to honor a draw on the Letter of Credit, Bondholders would have to depend entirely on the ability of the School to pay the principal of, purchase price and interest on the Series 2009 Bonds pursuant to its obligation under the Loan Agreement. Certain information with respect to the Bank is included in PART 4 – "THE BANK."

The School may provide for a Confirming Letter of Credit or substitute Letter of Credit in accordance with the provisions of the Resolutions. The Series 2009 Bonds are subject to mandatory tender for purchase at a purchase price equal to par in the event of a confirmation or substitution of the Letter of Credit with a Confirming Letter of Credit or substitute Letter of Credit, respectively. See PART 3 – "THE SERIES 2009 BONDS – Description of the Series 2009 Bonds – Mandatory Tender" herein.

Risk of Redemption; Mandatory Tender; Acceleration

The Series 2009 Bonds are subject to redemption, mandatory tender or acceleration prior to maturity in certain circumstances (See PART 3 – "THE SERIES 2009 BONDS–Redemption Provisions – Mandatory Redemption" herein and see Appendix B – "SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT" and Appendix C – "SUMMARY OF THE RESOLUTION"). The School's failure to make Loan payments or to meet its reimbursement obligations to the Bank, or default by the School beyond any applicable notice and grace period on any Parity Debt with the consequence that such Parity Debt has been or is capable of being declared immediately due and payable could lead to an early, unscheduled acceleration of the Series 2009 Bonds. Bondholders may not realize their anticipated yield on investment to maturity because the Series 2009 Bonds may be redeemed or accelerated prior to maturity at par or at a redemption price that result in the realization of less than the anticipated yield to maturity.

Failure to Obtain a Substitute Letter of Credit

The Letter of Credit terminates on June 18, 2012, unless extended. There are no assurances that the Bank will renew the Letter of Credit beyond such date. In the event that the Trustee has not received evidence as required by the Resolutions by the 30th day preceding the termination date of either an extension of the Letter of Credit securing the Series 2009 Bonds or the issuance of a substitute Letter of Credit securing the Series 2009 Bonds meeting the requirements of the Resolutions, the Series 2009 Bonds will be subject to mandatory tender for purchase on a Business Day that is not less than three (3) Business Days prior to the Expiration Date of the Letter of Credit at a purchase price of 100% of the principal amount thereof plus

accrued interest to the Tender Date (See PART 3 – “THE SERIES 2009 BONDS – Description of the Series 2009 Bonds – Mandatory Tender” herein). There are no assurances that the School will be able to obtain an extension of the Letter of Credit or replacement for the Letter of Credit.

The Reimbursement Agreement

In the Reimbursement Agreement, the School makes certain representations, warranties and covenants for the benefit of the Bank. A failure by the School to comply with any of these representations, warranties or covenants contained in the Reimbursement Agreement may result in an Event of Default under and as defined in the Reimbursement Agreement. Upon the occurrence of an Event of Default under the Reimbursement Agreement, the Bank may direct the Trustee in writing to declare the Series 2009 Bonds immediately due and payable and draw on the Letter of Credit to pay the principal and interest on the Series 2009 Bonds or otherwise direct that the Trustee effect the mandatory purchase in whole of the Series 2009 Bonds secured.

Project Risks

Cost overruns resulting from design changes, unforeseen occurrences or delays in the construction and installation of the Project could cause the cost of the Project to exceed the aggregate funds available therefor. Such cost overruns could impact upon the funds otherwise available to make payments under the Loan Agreement.

No Mortgage; Negative Pledge

The Series 2009 Bonds will not be secured by a mortgage on the Project. Other than permitted encumbrances, the School has covenanted to the Bank under the Reimbursement Agreement not to (i) dispose of, pledge, grant, assign, or undertake or not take any action that would result in the creation of any lien on the Premises, (ii) grant a negative pledge in favor of any third party covering the Premises; or (iii) sell, assign, transfer, lease, mortgage, charge, encumber or otherwise dispose of the Premises whether in a single transaction or series of transactions.

Financial Status of the School

AS DESCRIBED IN THIS OFFICIAL STATEMENT, THE SERIES 2009 BONDS ARE SECURED BY THE LETTER OF CREDIT AND THEREFORE THIS OFFICIAL STATEMENT DOES NOT CONTAIN INFORMATION RELATING TO THE SCHOOL OR ITS ABILITY TO PAY PRINCIPAL AND PURCHASE PRICE OF AND INTEREST ON THE SERIES 2009 BONDS.

THE INVESTMENT DECISION TO PURCHASE THE SERIES 2009 BONDS SHOULD BE MADE SOLELY ON THE BASIS OF THE CREDITWORTHINESS OF THE BANK, AS ISSUER OF THE LETTER OF CREDIT. PROSPECTIVE INVESTORS SHOULD LOOK SOLELY TO THE BANK AND THE LETTER OF CREDIT FOR PAYMENTS OF THE PRINCIPAL AND PURCHASE PRICE OF OR INTEREST ON THE SERIES 2009 BONDS. THE OWNERS OF THE SERIES 2009 BONDS WILL NOT BE ABLE TO ASSESS THE LIKELIHOOD THAT PAYMENT OF THE SERIES 2009 BONDS WILL BE SUBJECT TO REDEMPTION OR MANDATORY TENDER BEFORE THE STATED MATURITY THEREOF BECAUSE OF AN EVENT OF DEFAULT UNDER THE REIMBURSEMENT AGREEMENT. The financial success of the School and/or the Project may affect the risk of an acceleration of the Series 2009 Bonds prior to maturity.

If the School were to file a petition for relief or any party were to commence any other action against the School, under Title 11 of the United States Bankruptcy Code (the “Federal Bankruptcy Code”), such filing would constitute an “Event of Default” under the Loan Agreement and consequently an “Event of Default” under the Resolutions permitting, under the terms set forth in the Resolutions, the acceleration of the Series 2009 Bonds. At least one bankruptcy court, however, has temporarily prohibited an indenture trustee from declaring a default based solely upon the commencement of a Chapter 11 reorganization case provided that the School has timely made all debt service payments both before and after the case and no other events of default exist.

Payment of Debt Service

In the event the Bank fails to honor a draw under the Letter of Credit, principal of and interest on the Series 2009 Bonds are payable from payments paid by the School to the Agency under the Loan Agreement. No representation or assurance can be made that revenues will be realized by the School in the amounts necessary to make payments at the times and in the amounts sufficient to pay the debt service on the Series 2009 Bonds.

Further revenues and expenses of the School will be affected by events and conditions relating generally to, among other things, demand for the School’s educational services, the ability of the School to provide the required educational services and to control costs, management capabilities, competition, legislation and governmental regulation, including without limitation, laws or regulations concerning environmental quality, work safety and accommodating the handicapped, unionization of the School’s work force with consequent impact on wage scales and operating costs, developments affecting the Federal or state tax-exempt status of non-profit organizations or imposition of local property taxes. **Prospective investors should look solely to the Bank and the Letter of Credit for payments of the principal and purchase price of or interest on the Series 2009 Bonds.**

Enforceability, Priority and Dilution of Lien on Gross Receipts

The Loan Agreement provides that the School shall make payments to the Agency sufficient to pay the Series 2009 Bonds and the interest thereon as the same become due. The obligation of the School to make such payments is secured in part by the grant by the School of a security interest its Gross Receipts pursuant to the Security Agreement.

In the event of bankruptcy of the School, transfers of property made by the School at a time that it was insolvent in payment of or to secure an antecedent debt, including the payment of debt or the transfer of any collateral, including receivables and Gross Receipts on or after the date which is 90 days (or, in some circumstances, one year) prior to the commencement of the case under the Bankruptcy Code may be subject to avoidance as preferential transfers. Under certain circumstances a court may have the power to direct the use of Gross Receipts to meet expenses of the School before paying debt service on the Series 2009 Bonds. In addition, Gross Receipts or other items of collateral acquired by the School after the commencement of a case under the Bankruptcy Code may not be subject to the lien created by the Security Agreement.

The School’s payment obligations under the Authority Financing Documents will be secured by a security interest in the Gross Receipts. The School’s payment obligations with respect to the IDA Financing Documents are secured by a lien on the Gross Receipts that is of equal priority with the lien securing the Authority and the Bank. An event of default under an IDA Financing Document constitutes an event of default under the Authority Documents and an event of default under an Authority Financing Document may constitute an event of default under one or more IDA Financing Documents. It is possible that upon an event of default under an IDA Financing Document that the Series 2009 Bonds will be called for redemption, mandatory tender or acceleration prior to maturity. It is also possible that upon an event of default under one

or more Financing Documents that the IDA Bonds, but not the Series 2009 Bonds are called for redemption, mandatory tender or acceleration, making the full amount of indebtedness due under one or more IDA Financing Documents then due and owing, but only the then-current indebtedness due under the Authority Financing Documents then due and owing. Such an occurrence could result in a significant diminution of the amount of Gross Receipts available to pay future indebtedness owed under the Authority Financing Documents.

In addition, the School may enter into a Hedge Agreement with respect to all or portion of the Series 2009 Bonds, which Hedge Agreement may be secured by a lien on the Gross Receipts that is of equal priority with the lien securing the Secured Parties. With the written consent of the Authority, and to the extent permitted by the Reimbursement Agreement, the School may incur indebtedness or other financial obligations, in addition to additional Bonds, the IDA Bonds, and a Hedge Agreement, secured by a lien on the Gross Receipts that is of equal priority to the lien securing the Secured Parties. The security interest in Gross Receipts granted to the Authority to secure the School's obligations under the Authority Financing Documents will be diluted to the extent additional Bonds, the IDA Bonds, a Hedge Agreement, or any other such debt is issued or financing obligation incurred that is secured by a lien on the Gross Receipts that is of equal priority with the lien securing the Secured Parties.

Enforceability of Remedies

The remedies available to the Trustee, or the registered owners of the Series 2009 Bonds upon the occurrence of an Event of Default under the Resolutions or the Loan Agreement are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including, specifically, the United States Bankruptcy Code, the remedies provided in the Resolutions or the Loan Agreement may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2009 Bonds and the delivery of the Resolutions and the Loan Agreement will be qualified as to the enforceability of the various legal instruments by limitations imposed by general principles of equity and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Secondary Markets and Prices

No assurance can be given that tendered Series 2009 Bonds will be remarketed or that any secondary market will develop following the completion of the reoffering of the Series 2009 Bonds.

No Redemption Upon Loss of Tax Exemption

As described under PART 11 - "TAX MATTERS" herein, non-compliance with certain requirements of the Internal Revenue Code of 1986, could cause interest on the Series 2009 Bonds to be included in gross income for Federal income tax purposes, retroactive to the date of issuance of the Series 2009 Bonds. The Series 2009 Bonds are not required to be redeemed and are not subject to acceleration, and the interest rates on the Series 2009 Bonds will not be changed, in the event interest thereon is determined to be includable in gross income for Federal income tax purposes. No provision has been made to compensate owners for Federal income taxes, interest and/or penalties which may be assessed in connection with any such tax liability or such determination or for any other loss or any diminution of gain which may occur.

Legislation

There can be no assurance that future changes in Federal or state laws, rules, regulations and policies relating to the taxation of not-for-profit organizations will not have a material adverse effect upon the net revenues of the School.

Changes in policy in the following areas could have an adverse effect on the School, including: (a) changes in the taxation of non-profit corporations or in the scope of their exemption from income or property taxes; (b) limitations on the amount of charitable contributions which are deductible for income tax purposes; (c) limitations on the amount or availability of tax-exempt financing for Section 501(c)(3) corporations; and (d) regulatory limitations affecting the School's ability to undertake capital projects or develop new services.

PART 18 – RATINGS

Subject to the issuance of the Letter of Credit by the Bank, the Series 2009 Bonds are expected to be assigned a long-term rating of “Aa2” and a short-term rating of “VMIG1” by Moody's Investors Service, Inc. (“Moody's”). The ratings are based solely on the Letter of Credit issued by the Bank. Such ratings reflect only the views of such organization and any desired explanation of the significance of such ratings should be obtained from the rating agency at the following address: Moody's, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007. There is no assurance that such ratings will prevail for any given period of time or that they will not be revised downward or withdrawn entirely by such rating agency if, in the judgment of the rating agency, circumstances so warrant. Any such downward revision or withdrawal of such rating or ratings may have an adverse effect on the market price of the Series 2009 Bonds.

PART 19 – MISCELLANEOUS

Reference in this Official Statement to the Act, the Resolution, the Series 2009 Resolution, the Loan Agreement, the Security Agreement, the Assignment Agreement, the Intercreditor Agreement and the Letter of Credit do not purport to be complete. Refer to the Act, the Resolution, the Series 2009 Resolution, the Loan Agreement, the Security Agreement, the Assignment Agreement, the Intercreditor Agreement and the Letter of Credit, for full and complete details of their provisions. Copies of the Resolution, the Series 2009 Resolution, the Loan Agreement and the Security Agreement, the Assignment Agreement, the Intercreditor Agreement and the Letter of Credit, are on file with the Authority and the Trustee.

The agreements of the Authority with Holders of the Series 2009 Bonds are fully set forth in the Resolution and the Series 2009 Resolution. Neither any advertisement of the Series 2009 Bonds nor this Official Statement is to be construed as a contract with purchasers of the Series 2009 Bonds.

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

The information regarding the School and The Project was supplied by the School. The Authority believes that this information is reliable, but the Authority, the Underwriter and the Bank make no representations or warranties whatsoever as to the accuracy or completeness of this information.

The information regarding the Bank and the Letter of Credit has been furnished by the Bank. No representation is made herein by the Authority, the School or the Underwriter as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the

date hereof. None of the Authority, the School or the Underwriter has made any independent investigation of the Bank or the Letter of Credit.

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

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

"Appendix D - Summary of Certain Provisions of the Reimbursement Agreement" has been prepared by Windels Marx Lane & Mittendorf, LLP, New York, Bank counsel.

The School has reviewed the parts of this Official Statement describing the School, the Project, the IDA Bonds, the IDA Hedge Agreements, Bondholders' Risks and the Estimated Sources and Uses of Funds. It is a condition to the sale and delivery of the Series 2009 Bonds that the School certify as of the dates of sale and delivery of the Series 2009 Bonds that 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 School has agreed to indemnify the Authority and the Underwriter and certain others against losses, claims, damages and liabilities arising out of any untrue statements or omissions of statements of any material fact as described in the preceding paragraph.

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

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

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

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APPENDIX A

CERTAIN DEFINITIONS

The following are definitions of certain of the terms defined in the Resolution, the Loan Agreement or the Bond Series Certificate, and used in this Official Statement. Unless otherwise indicated, the terms summarized below have, in all material respects, the same meaning in the Loan Agreement or the Resolution.

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

“*Annual Administrative Fee*” means the fee payable during each Bond Year for the general administrative and supervisory expenses of the Authority as more particularly described in the Loan Agreement.

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

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

“*Authority Fee*” means the fee payable to the Authority consisting of all of the Authority’s internal costs and overhead expenses attributable to the issuance of the Series 2009 Bonds and the construction of the Project as more particularly described in the Loan Agreement.

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

“*Authorized Newspaper*” means The Bond Buyer or any other newspaper of general circulation printed in the English language and customarily published at least once a day for at least five (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, the Vice–Chair, the Treasurer, an Assistant Treasurer, the Secretary, an Assistant Secretary, the Executive Director, the Deputy Executive Director, the Chief Financial Officer, the Managing Director of Public Finance and Portfolio Management, the Managing Director of Construction, and the General Counsel and the Deputy General Counsel, and when used with reference to any act or document also means any other person authorized by a resolution or the by–laws of the Authority to perform such act or execute such document; (ii) in the case of the School, when used with reference to any act or document, means the person or persons authorized by a resolution or the by–laws of the School to perform such act or execute such document; and (iii) in the case of the Trustee, the President, a Vice President, an Assistant Vice President, a Corporate Trust Officer, an Authorized Signatory, an Assistant Corporate Trust Officer, a Trust Officer or an Assistant Trust Officer of the Trustee, and when used with reference to any act or document also means any other person authorized to perform any act or

sign any document by or pursuant to a resolution of the Board of Directors of the Trustee or the by-laws of the Trustee.

“*Available Money*” means when used in connection with any particular Series 2009 Bond, whenever there is a Letter of Credit in effect for such Series 2009 Bond or is required by the Resolution to be maintained for such Series 2009 Bond:

- (i) proceeds of such Series 2009 Bonds;
- (ii) money obtained by the Trustee pursuant to such Letter of Credit or a Confirming Letter of Credit for payment of the principal, Redemption Price or Purchase Price of or interest on such Series 2009 Bond;
- (iii) money derived from the remarketing of a Series 2009 Bond which is directly paid to and held by the Trustee for the payment of the Purchase Price of such Series 2009 Bond in accordance with the Bond Series Certificate;
- (iv) money which has been on deposit with the Trustee for at least one hundred twenty-four (124) days (or, if there are any affiliates of the Law School, three hundred sixty-six (366) days) prior to and during which no petition by or against the Authority or the School, 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;
- (v) any other money the application of which to the payment of the principal, Redemption Price or Purchase Price of or interest on such Series 2009 Bond would not, in the opinion of Bond Counsel, which opinion shall be acceptable to the Rating Services, constitute an avoidable preference in the case of a filing under the Bankruptcy Code, by or against the School or the Authority; and
- (vi) the proceeds from the investment of money described in clauses (i) through (v) above.

“*Available Money Account*” means the account so designated and established within the Purchase and Remarketing Fund pursuant to the Resolution.

“*Bank*” means, initially, TD Bank, N.A., as the issuer of a Letter of Credit in connection with Series 2009 Bonds, and, thereafter, means any other bank that has issued a substitute Letter of Credit in connection with the Series 2009 Bonds in accordance with the Series Resolution and the Bond Series Certificate relating to particular Series of the Series 2009 Bonds.

“*Bank Bond*” means any Series 2009 Bond during the period from and including the date it is purchased or paid for by the Bank pursuant to the Letter of Credit to or by the issuer of a Confirming Letter of Credit pursuant to such Confirming Letter of Credit, but excluding, the earliest of:

- (a) the date on which the principal, Redemption Price or Purchase Price of such Series 2009 Bond, together with all interest accrued thereon, is paid with amounts other than amounts drawn under the Letter of Credit;

(b) the date on which the registered owner of a Series 2009 Bond has given written notice of its determination not to sell such Series 2009 Bond following receipt of a purchase notice from the Remarketing Agent with respect to such Series 2009 Bond, or, if notice of such determination is not given on or before the Business Day next succeeding the day such purchase notice is received, the second Business Day succeeding receipt of such purchase notice; or

(c) the date on which such Series 2009 Bond is to be purchased pursuant to an agreement by the registered owner of such Series 2009 Bond to sell such Series 2009 Bond following receipt of a purchase notice from the Remarketing Agent with respect to such Series 2009 Bond, if the Trustee then holds, in trust for the benefit of such registered owner, sufficient money to pay the Purchase Price of such Series 2009 Bond, together with the interest accrued thereon to the date of purchase.

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

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

“*Bond Payment Date*” means an Interest Payment Date and any date on which the principal of a Series 2009 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 2009 Bond called for redemption pursuant to the Resolution.

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

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

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

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

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

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

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

“*Commercial Paper Mode*” means a Rate Mode in which a Series 2009 Bond for its respective Commercial Paper Rate Period bears interest at a Commercial Paper Rate.

“*Confirming Letter of Credit*” means an irrevocable direct pay letter of credit that satisfies the requirements of the Bond Series Certificate executed by the Authority in connection with issuance of the Series 2009 Bonds or a guaranty or other undertaking, in form and substance acceptable to the Authority, provided by any agency or instrumentality of the United States of America, which, in each case, obligates such bank, agency or instrumentality to advance money to pay the Purchase Price of Tendered Bonds or the principal and Sinking Fund Installments of and interest on Outstanding Series 2009 Bonds, or both, in the event the Bank fails to make payment under its Letter of Credit

“*Construction Fund*” means the fund so designated, created and established for a Project by or pursuant to a Series Resolution authorizing the issuance of a Series of Bonds for the purpose of paying or refinancing the Costs of such Project.

“*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, Series 2009 Bonds, plans and specifications, addenda, change orders, and any other documents entered into or prepared by or on behalf of the School relating to the construction of the Project, and any amendments to the foregoing.

“*Conversion Date*” means the day on which a Series 2009 Bond is converted from one Rate Mode to a different Rate Mode or was proposed to be converted from one Rate Mode to another Rate Mode, which date must be a Reset Date or an Interest Payment Date for such Series 2009 Bond.

“*Conversion Notice*” means a notice given pursuant to the Resolution.

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

“*Cost*” or “*Costs of the Project*” means when used in relation to a Project the costs and expenses determined by the Authority to be necessarily or appropriately incurred in connection with the Project, including, but not limited to, (i) costs and expenses of the acquisition of the title to or other interest in real property, including easements, rights-of-way and licenses, (ii) costs and expenses incurred for labor and materials and payments to contractors, builders and materialmen, for the acquisition, construction, reconstruction, rehabilitation, repair and improvement of the Project, (iii) the cost of surety bonds and insurance of all kinds, including premiums and other charges in connection with obtaining title insurance, that may be required or necessary prior to completion of the Project, which is not paid by a contractor or otherwise provided for, (iv) the costs and expenses for design, environmental inspections and assessments, test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, and for supervising construction of the Project, (v) costs and expenses required for the acquisition and installation of equipment or machinery, (vi) all other costs which the School shall be required to pay or cause to be paid for the acquisition, construction, reconstruction, rehabilitation, repair, improvement and equipping of the Project, (vii) any sums required to reimburse the School or the Authority for advances made by them for any of the

above items or for other costs incurred and for work done by them in connection with the Project (including interest on money borrowed from parties other than the School), (viii) interest on the Bonds, bonds, notes or other obligations of the Authority issued to finance Costs of the Project that accrued prior to, during and for a reasonable period after completion of the acquisition, construction, reconstruction, rehabilitation, repair, improvement or equipping of the Project, and (ix) fees, expenses and liabilities of the Authority incurred in connection with the Project or pursuant to the Resolution or to the Loan Agreement, a Letter of Credit, a financial guaranty insurance policy in connection with Bonds, a Liquidity Facility or a Remarketing Agreement in connection with Option Bonds or Variable Interest Rate Bonds.

“*Counterparty*” means any person with which the Authority or the School has entered into a Hedge Agreement, provided that, at the time the Hedge 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 Hedge Agreement the obligations of such person thereunder, are rated, without regard to qualification of such rating by symbols such as “+” or “-” and numerical notation, not lower than in the third highest rating category by each Rating Service.

“*Debt*” means, when used in connection with any person, indebtedness for borrowed money incurred or guaranteed by such person, whether or not evidenced by notes, bonds, debentures or other similar evidences of indebtedness, including indebtedness under purchase money mortgages, capital leases, installment sales agreements and similar security arrangements which appear as debt on the audited balance sheet of such person in accordance with generally accepted accounting principles.

“*Debt Service Fund*” means, when used in connection with a Series of Bonds, the fund so designated, created and established by or pursuant to the Series Resolution authorizing the issuance of such Series of Bonds.

“*Default Notice*” means a notice given by the Bank or the issuer of a Confirming Letter of Credit to the effect that an event of default under the applicable Reimbursement Agreement has occurred and directing mandatory tender of the Series 2009 Bonds.

“*Defeasance Security*” means:

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

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

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

fund, are sufficient to pay the principal of and interest and redemption premium, if any, on such Exempt Obligation on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in clause (i) above, and (iv) is rated by at least two Rating Services in the highest rating category for such Exempt Obligation;

provided, however, that for purposes of (i), (ii) and (iii) above, such term shall not include (1) 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; and

- (iv) any other investments acceptable to the Rating Service(s) for defeasance.

“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.

“Determination of Taxability” means, when used with respect to a Tax Exempt Bond, a final determination by any court of competent jurisdiction or a final determination by the Internal Revenue Service to which the Authority shall consent or from which no timely appeal shall have been taken, in each case to the effect that interest on such Bond is includable in the gross income of the Holder thereof for purposes of federal income taxation.

“Direct Participant” means a participant in the book–entry system of recording ownership interests in the Series 2009 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 2009 Bonds, or any successor Depository for any Series 2009 Bonds.

“Exempt Obligation” means:

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

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

- (iii) a share or interest in a mutual fund, partnership or other fund registered under the Securities Act of 1933, as amended, and operated in accordance with Rule 2a-7 of the Investment Company Act of 1940, as amended, wholly comprised of any of the foregoing obligations.

“Expiration Date” means, when used in connection with a particular Letter of Credit or Confirming Letter of Credit, the date on which such Letter of Credit or Confirming Letter of Credit, will expire by its

terms, as such date may be extended from time to time, or any earlier date on which such Letter of Credit or Confirming Letter of Credit shall terminate, expire or be canceled upon delivery of a substitute Letter of Credit or Confirming Letter of Credit in accordance with the Bond Series Certificate, but does not include a Termination Date.

“Federal Agency Obligation” means:

- (i) an obligation issued by any federal agency or instrumentality approved by the Authority;
- (ii) an obligation the principal of and interest on which are fully insured or guaranteed as to payment by a federal agency approved by the Authority;
- (iii) a certificate or other instrument which evidences the beneficial ownership of, or the right to receive all or a portion of the payment of the principal of or interest on, any of the foregoing; and
- (iv) a share or interest in a mutual fund, partnership or other fund registered under the Securities Act of 1933, as amended, and operated in accordance with Rule 2a – 7 of the Investment Company Act of 1940, as amended, wholly comprised of any of the foregoing obligations.

“Fiscal Year” means a twelve month period beginning July 1st of a calendar year and ending on June 30th of the next subsequent calendar year, or such other twelve month period as the School may elect as its Fiscal Year.

“Fixed Rate Mode” means a Rate Mode in which a Series 2009 Bond in such Rate Mode bears interest at a Fixed Rate.

“Government Obligation” means:

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

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

“*Gross Receipts*” means:

(i) All revenues received by the School from its operations, including but not limited to tuition, student fees, and charges for room and board, and from the operations of its facilities, all the proceeds, product, offspring, rents and profits of all of the School’s facilities, and all other income available to the School from any other source;

(ii) All of the School’s accounts, contract rights, chattel paper, instruments, general intangibles and other obligations of any kind now or after existing, whether or not arising out of or in connection with the sale or lease of goods or the rendering of services, whether or not such services have been performed;

(iii) All rights now or after existing in and to all security agreements, leases and other contracts securing or otherwise relating to any such accounts, contract rights, chattel paper, instruments, general intangibles or obligations in each case derived from the School’s ownership, operation or lease of all of its facilities (any and all such accounts, contract rights, chattel paper, instruments, general intangibles and obligations being the “*Receivables*”);

(iv) All investment income, gifts, bequests, contributions and other donations and any income derived therefrom *excluding* only gifts, bequests, contributions and other donations before or after the date of the Loan Agreement made and any income derived therefrom which are expressly restricted by the donor or grantor thereof as being for a specific object or purpose inconsistent with the payment by the School of amounts owed to the Authority by the School pursuant to the Loan Agreement; and

(v) All proceeds of any and all of the foregoing, including without limitation any amounts received from the sale, exchange, lease or other disposition of any *Receivables*, and, to the extent not otherwise included, all payments under insurance (whether or not the Authority is the loss payees thereof), or any indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the foregoing.

“*IDA*” means the New York City Industrial Development Agency.

“*IDA Bank Documents*” means (i) the Letter of Credit and Reimbursement Agreement, dated as of December 1, 2008, by and between the School and JPMorgan Chase Bank, N.A.; (ii) the Letter of Credit and Reimbursement Agreement, dated as of December 1, 2008, by and between the School and Allied Irish Banks, p.l.c.; and (iii) the Letter of Credit and Reimbursement Agreement, dated as of December 1, 2008, by and between the School and RBS Citizens, N.A, in each case relating to a portion of the IDA’s \$135,000,000 aggregate principal amount of its Civic Facility Revenue Bonds (New York Law School Project), Series 2006A, Series 2006B–1 and Series 2006B–2, as heretofore amended or as each may hereafter be amended, restated or supplemented.

“*IDA Documents*” means (i) the Indenture of Trust, between the IDA and the IDA Trustee, dated as of June 1, 2006 and Amended and Restated as of December 1, 2008, (ii) the Amended and Restated Installment Sale Agreement and Assignment of Lease, between the IDA and the School, dated as of December 1, 2008, and (iii) the Guaranty Agreement, dated as of June 1, 2006, made by the School in favor of the IDA Trustee, as each may hereafter be amended, restated or supplemented.

“*IDA Trustee*” means U.S. Bank National Association.

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

“Intercreditor Agreement” means an agreement by and among, *inter alia*, the Authority, the Trustee and each Bank, as creditors of the School, with respect to (i) the relative priorities of the liens upon the Gross Receipts and, to the extent the obligations of the School to any two or more of such creditors is secured by a Mortgage on the same Mortgaged Property, the mortgage lien upon such Mortgaged Property, (ii) limitations or conditions upon their respective rights to enforce, foreclose or realize upon such liens, and (iii) the application of any money realized from the enforcement, foreclosure or other realization upon such liens.

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

“Interest Payment Date” means (i) during any Daily Rate Period or any Weekly Rate Period, the first Business Day of each month, (ii) during any Commercial Paper Rate Period, the next succeeding Reset Date or Conversion Date, (iii) during any Term Rate Period or the Fixed Rate Period, each January 1 and July 1, except that, in connection with a Term Rate Period of less than two years, the interest may be paid on the Reset Date or Conversion Date as authorized in a Certificate of Determination and (iv) any Mandatory Tender Date; *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 applicable Reimbursement Agreement. If any such date is not a Business Day, the Interest Payment Date shall be the succeeding Business Day.

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

“Letter of Credit” means an irrevocable direct-pay letter of credit for the benefit of the Trustee pursuant to which the issuer thereof is obligated, upon a drawing made by the Trustee in accordance with the terms of such letter of credit, to advance to the Trustee amounts to pay the principal and Sinking Fund Installments of and interest on such Bonds, as the same becomes due whether or not the Authority is in default under the Resolution or the School is in default under a Loan Agreement that is issued by (i) a bank, savings bank, savings and loan association or trust company organized under the laws of any state of the United States of America and authorized to do business in the State, (ii) a trust company, (iii) a national banking association, (iv) 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, (v) a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, or (vi) 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.

“Letter of Credit Secured Bond” means a Bond in connection with which a Letter of Credit has been issued.

“Lien” means any mortgage, pledge, lien, charge or security interest in the nature thereof (including any conditional sales agreement, equipment trust agreement, or other title retention agreement) or other encumbrance of whatsoever nature.

“*Liquidity Facility*” means a Letter of Credit, a surety bond, a loan agreement, a standby purchase agreement, a line of credit or other agreement or arrangement pursuant to which money may be obtained by the Trustee upon the terms and conditions contained therein for the purchase of Bonds tendered for purchase in accordance with the terms of the Series Resolution authorizing such Bonds or the Bond Series Certificate relating to such Bonds.

“*Liquidity Facility Provider*” means, when used in connection with any particular Bonds, the issuer or provider of a Liquidity Facility related to such Bond.

“*Loan Agreement*” means the Loan Agreement, dated as of April 29, 2009, by and between the Authority and the Institution, related to the Series 2009 Bonds, as the same may from time to time be amended, restated or supplemented as permitted by the Resolution and by the Loan Agreement;

“*Mandatory Tender Date*” means any date on which a Series 2009 Bond is required to be tendered for purchase in accordance with the Resolution.

“*Maximum Rate*” or “*Maximum Interest Rate*” means (i) in the case of a Series 2009 Bond bearing interest at any Rate other than a Bank Bond Rate, the interest rate used in the Letter of Credit then in effect for such Series 2009 Bond or the related Reimbursement Agreement to establish the amount available under the Letter of Credit for the payment of interest on such Series 2009 Bond, and (ii) in the case of a Series 2009 Bond bearing interest at a Bank Bond Rate, twenty-two percent (22%) per annum; *provided, however*, that in no event shall the Rate at which any Series 2009 Bond bears interest exceed the maximum rate permitted by law.

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

“*Official Statement*” means an official statement, offering memorandum or circular or other offering document relating to and in connection with the sale of the Series 2009 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 Bonds to which such action relates to be includable in the gross income of the owners of such Bonds for purposes of federal income taxation and that such action is authorized or permitted by the Resolution and by the applicable Series Resolution and Bond Series Certificate.

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

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

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

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

“Parity Debt” means

- (i) the Debt of the School to the IDA incurred pursuant to the IDA Documents
- (ii) the Debt of the School under to the IDA Banks Documents;
- (iii) the Debt of the School to the Bank under the Reimbursement Agreement; and
- (iv) any other Debt or financial obligation incurred by the School that is secured by a Lien on all or any portion of the Gross Receipts that is of equal priority with the Lien securing the School’s obligations hereunder; *provided, however,* that such Debt or obligation was not incurred at a time when an Event of Default or any default which with the passage of time or notice would become an Event of Default hereunder has occurred and is continuing, and in connection with any such Debt the person to whom the School is indebted shall have entered into an intercreditor agreement by and among the Authority, the Trustee, the Bank and each other person secured by a security interest in the Gross Receipts that is to be of equal priority with the Lien thereon to secure the School’s obligations hereunder.

“Permitted Investments” means any of the following:

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

(vi) commercial paper issued by a domestic corporation rated, at the time an investment therein is made or the same is deposited in any fund or account under the Resolution, in the highest short term rating category by at least one Rating Service and having maturities of not longer than two hundred seventy (270) days from the date of purchase;

(vii) bankers' acceptances issued by a bank rated, at the time an investment therein is made or the same is deposited in any fund or account under the Resolution, in the highest short term rating category by at least one Rating Service and having maturities of not longer than three hundred sixty five (365) days from the date they are purchased;

(viii) Investment Agreements that are fully collateralized by Permitted Collateral; and

(ix) a share or interest in a mutual fund, partnership or other fund registered under the Securities Act of 1933, as amended, and operated in accordance with Rule 2a – 7 of the Investment Company Act of 1940, as amended, whose objective is to maintain a constant share value of \$1.00 per share and that is rated, at the time an investment therein is made or the same is deposited in any fund or account under the Resolution, in the highest short term rating category by at least one Rating Service.

“Permitted Liens” means:

(i) when used in connection with the Gross Receipts, Liens thereon or on any part thereof that:

(a) are pledges or deposits made in the ordinary course of business to secure payment of workers' compensation, or to participate in any fund in connection with workers' compensation, unemployment insurance, old age pensions or other social security programs

(b) secure the School's obligations hereunder;

(c) secure the School's obligations under the Reimbursement Agreement;

(d) secure the School's obligations under the IDA Documents;

(e) secure the School's obligations under the IDA Bank Documents;

(f) exist on security accounts in connection with the Prior Hedges or that may be hereafter created on any other property of the School, in each case to the extent such accounts or other property are composed of or constitute all or any part of the Gross Receipts;

(g) are permitted by Section 10 of the Loan Agreement to secure Parity Debt;

(h) secure the School's obligations under the Series 2009 Bond Hedge Agreement;

(i) are set forth in Schedule A of the Reimbursement Agreement to the extent such Liens are on all or any part of the Gross Receipts; and

(j) are hereafter created or arising to which the Authority and the Bank have consented in writing;

(ii) when used in connection with the Project, Liens that:

(a) are for taxes, assessments, or similar charges, incurred in the ordinary course of business, which either are not yet due or are being contested in good faith by appropriate proceedings, and as to which adequate reserves have been set aside in accordance with generally accepted accounting principles;

(b) are of mechanics, materialmen, warehousemen, carriers, or other like liens, securing obligations incurred in the ordinary course of business which either are not yet due and payable or are being contested in good faith by appropriate proceedings, and as to which adequate reserves have been set aside in accordance with generally accepted accounting principles;

(c) are in the nature of encumbrances consisting of zoning restrictions, easements, or other restrictions on the use of the Project or the real property on which it is constructed, none of which materially impairs the use of such property by the School in the operation of its business, and none of which is violated in any material respect by existing or proposed structures or land use;

(d) are set forth in Schedule A of the Reimbursement Agreement to the extent such Liens are on property that constitutes all or any portion of the Project; and

(e) purchase money mortgages and/or security interests in equipment securing purchase money Debt covering only the equipment so acquired.

“*Project*” means the buildings, improvements, fixtures, furnishings and equipment heretofore financed by the Authority from the proceeds of the Refunded Bonds, as such project is more particularly described in the Loan Agreement.

“*Purchase Price*” means:

(i) when used in relation to a Tendered Bond, other than a Series 2009 Bond mandatorily tendered pursuant to the Resolution upon a Conversion from the Fixed Rate Mode or Term Rate Mode, an amount equal to (a) one hundred percent (100%) of the principal amount of such Series 2009 Bond tendered or deemed tendered for purchase pursuant to the Resolution or (b) in the case of Bank Bonds, the amount payable to the registered owner of a Bank Bond following receipt by such owner of a purchase notice from the Remarketing Agent, plus, in each case, accrued interest and unpaid interest thereon to the date of purchase; and

(ii) when used in relation to a Tendered Bond mandatorily tendered pursuant to the Resolution upon Conversion from the Fixed Rate Mode or a Term Rate Mode on a date other than a Reset Date, an amount equal to the Redemption Price that would be payable if such Series 2009 Bonds had been called for redemption on the Conversion Date; plus accrued and unpaid interest thereon to the date of purchase;

provided, however, that, in each case, if the date of purchase is an Interest Payment Date, then the Purchase Price shall not include accrued and unpaid interest, which shall be paid to the Holder of record on the applicable Record Date.

“Prior Hedges” means the two transactions in the nature of interest rate exchange transactions entered into by the Law School under and pursuant to (i) the Confirmation dated June 23, 2006, Transaction Reference Number 38042, from The Bank of New York to the Law School and (ii) the Confirmation dated June 23, 2006, Transaction Reference Number 38043, from The Bank of New York to the Law School, each such Confirmation executed pursuant to the ISDA 2002 Master Agreement, dated as of June 23, 2006, between The Bank of New York and the Law School including (x) the ISDA Schedule to the 2002 Master Agreement, dated as of June 23, 2006, between The Bank of New York and the School, and (y) the ISDA Credit Support Annex to the ISDA Master Agreement, dated as of June 23, 2006, between The Bank of New York and the School, as such ISDA 2002 Master Agreement was amended by an Amendment No. 1, dated as of December 11, 2008, as such Amendment No. 1 has heretofore been amended and restated, as any of the foregoing may hereafter be amended or supplemented.

“Purchased Bond” means a Series 2009 Bond purchased pursuant to the Bond Series Certificate, including a Series 2009 Bond called for redemption pursuant to the Bond Series Certificate in connection with which a notice of the School’s election to purchase such Series 2009 Bond pursuant to the Bond Series Certificate has been duly given in accordance with the Bond Series Certificate.

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

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

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

(iii) a corporation affiliated with or which is a subsidiary of any entity described in (i) or (ii) above or which is affiliated with or a subsidiary of a corporation which controls or wholly owns any such

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

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

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

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

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

“*Rate Period*” means any of the Initial Rate Period, Daily Rate Period, Commercial Paper Rate Period, Weekly Rate Period, Term Rate Period, or Fixed Rate Period.

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

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

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

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

“*Reimbursement Agreement*” means:

(i) when used in relation to the Letter of Credit or the Bank, initially, the Letter of Credit Reimbursement Agreement, dated as of June 1, 2009, by and between the School and TD Bank, N.A., pursuant to which the initial Letter of Credit has been issued, as the same may be amended or supplemented from time to time, and, thereafter, any agreement by and between the School and the Bank issuing a substitute Letter of Credit, pursuant to which the Bank has provided the substitute Letter of Credit, and, in each case,

pursuant to which the School has agreed to reimburse the Bank for money advanced by it under the Letter of Credit and to pay to the Bank any other amounts due under the Reimbursement Agreement; and

(ii) when used in relation to a Confirming Letter of Credit or the issuer thereof the agreement by and between the School and the issuer of any initial Confirming Letter of Credit, pursuant to which the initial Confirming Letter of Credit has been issued, as the same may be amended or supplemented from time to time, and, thereafter, any agreement by and between the School and the issuer of a substitute Confirming Letter of Credit, pursuant to which such issuer has provided the substitute Confirming Letter of Credit, and, in each case, pursuant to which the School has agreed to reimburse such issuer for money advanced by it under the Confirming Letter of Credit and to pay to the issuer of the Confirming Letter of Credit any other amounts due under the Reimbursement Agreement.

“Related Agreement” means the Security Agreement and any agreement entered into in connection with the Letter of Credit, including, but not limited to, the Reimbursement Agreement.

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

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

“Remarketing Proceeds Account” means the account so designated and established within the Purchase and Remarketing Fund pursuant to the Resolution.

“Reserve Fund” means the fund so designated, established and created pursuant to the Series Resolution.

“Reserve Requirement” means, initially, the amount set forth in the Bond Series Certificate executed in connection with the Series 2009 Bonds in accordance with the Series Resolution as the amount required by the Reimbursement Agreement relating to the initial Letter of Credit to be on deposit in the Reserve Fund, and, thereafter, such other amount, if any, as may be required by the Bank pursuant to a Reimbursement Agreement, as certified to the Trustee by the Authority.

“Reset Date” means, when used in connection with a Series 2009 Bond in the Daily Rate Mode, Commercial Paper Mode, Weekly Rate Mode or Term Rate Mode, the date on which the interest rate borne by such Series 2009 Bond is to be determined in accordance with the provisions of the Resolution, and, when used in connection with a Series 2009 Bond in the Term Rate Mode, also means the last day of the then current Term Rate Period.

“Resolution” means the New York Law School Revenue Bond Resolution, adopted by the Authority April 29, 2009, as from time to time amended or supplemented by Supplemental Resolutions or Series Resolutions in accordance with the terms and provisions under the Resolution.

“*Revenues*” means, when used in connection with the Bonds of any particular Series:

(i) all payments received or receivable by the Authority that pursuant to the Loan Agreement entered into in connection with such Series of Bonds are required to be paid to the Trustee, other than payments to the Trustee for (A) the administrative costs and expenses or fees of the Trustee, (B) deposit to the Arbitrage Rebate Fund, (C) deposit to any fund or account established by or pursuant to such Series Resolution for the payment of the purchase price of Option Bonds tendered or deemed to have been tendered for purchase, or (D) deposit to any fund or account established by or pursuant to such Series Resolution for repayment of advances made by a Liquidity Facility Provider for payment of the purchase price of Option Bonds; and

(ii) all amounts received as a consequence of the enforcement of a Loan Agreement, including but not limited to amounts derived from the foreclosure or sale of or other realization upon a Mortgage on property of the School given to secure the School’s obligation under such Loan Agreement or upon the security interest in the Gross Receipts.

“*Security Agreement*” means the Security Agreement, dated the date of issuance of the Series 2009 Bonds, pursuant to which the School has granted to the Authority a security interest in the Gross Receipts as the same may be amended, restated or supplemented from time to time.

“*Serial Bond*” means any Bond so designated in a Series Resolution or a Bond Series Certificate.

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

“*Series 2009 Bonds*” means the Bonds authorized by the Series 2009 Resolution.

“*Series 2009 Bond Hedge*” means a transaction in the nature of an interest rate exchange agreement which may be entered into by the School in order to hedge its exposure to fluctuations of the interest rate on the Series 2009 Bonds, *provided* that: (i) the notional amount of the Series 2009 Bond Hedge (a) does not exceed the principal of Series 2009 Bonds Outstanding on the date the Series 2009 Bond Hedge becomes effective, and (b) is, by the terms of the Series 2009 Bond Hedge Agreement, scheduled to reduce at the times and in the amounts as the principal amount of Series 2009 Bonds is to be paid either at maturity or through mandatory Sinking Fund Installments; and (ii) such agreement terminates not later than the latest date on which any Series 2009 Bond matures.

“*Series 2009 Bond Hedge Agreement*” means the agreement which may be entered into between the School and another person with respect to a Series 2009 Bond Hedge, as the same may be amended, restated or supplemented.

“*Series Resolution*” means the Series 2009 Resolution, as the same may be amended, supplemented or otherwise modified.

“*Series 2009 Resolution*” means the Authority’s Series Resolution Authorizing Up To \$45,000,000 New York Law School Revenue Bonds, Series 2009, adopted April 29, 2009, and the Bond Series Certificate

executed by the Authority in connection with issuance of the Series 2009 Bonds, in each case as the same may be amended, supplemented or otherwise modified.

“*School*” means New York Law School, a corporation duly organized and existing under the laws of the State, which is an institution for higher education located in the State and authorized to confer degrees by law or by the Board of Regents of the State, or any successor thereto.

“*School Obligations*” means notes, bonds, debentures or other evidence of indebtedness issued or incurred by the School to finance in part the Costs of a Project for which Bonds have been issued and are then Outstanding.

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

“*Sinking Fund Installment*” means, as of any date of calculation:

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

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

“*State*” means the State of New York.

“*Substitution*” means the delivery of an irrevocable direct pay letter of credit in substitution for the Letter of Credit then in effect on or prior to the Expiration Date or Termination Date of the then existing Letter of Credit, or the initial delivery of a Confirming Letter of Credit or the delivery of a Confirming Letter of Credit in substitution for the Confirming Letter of Credit then in effect on or prior to the Expiration Date or Termination Date of such then existing Confirming Letter of Credit.

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

“*Tax Certificate*” means a certificate executed by an Authorized Officer of the Authority, including the appendices, schedules and exhibits thereto, executed in connection with the issuance of the Series 2009 Bonds in which the Authority makes representations and agreements as to arbitrage compliance with the provisions of Section 141 through 150, inclusive, of the Code, or any similar certificate, agreement or other instrument made, executed and delivered in lieu of said certificate, in each case as the same may be amended or supplemented.

“*Tax Exempt Bond*” means any Bond as to which Bond Counsel has rendered an opinion to the effect that interest on it is excluded from gross income for purposes of federal income taxation.

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

“*Tender Notice*” means the notice given pursuant to the Resolution by the Holder of a Series 2009 Bond upon its election to tender such Series 2009 Bond.

“*Tendered Bond*” means a Series 2009 Bond or portion thereof in an Authorized Denomination mandatorily tendered or tendered at the option of the Holder thereof for purchase in accordance with the Resolution, including a Series 2009 Bond or portion thereof deemed tendered, but not surrendered on the applicable Tender Date.

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

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

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

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

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

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

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

“Verification Report” means, when used in connection with any Bonds for the payment of which Defeasance Obligations and money has been deposited with the Trustee in accordance with the Resolution, a letter or other written report verifying the accuracy of the arithmetical computations which establish the adequacy of such money and Defeasance Securities for such purpose.

“Weekly Rate” means the rate at which a Series 2009 Bond bears interest during a Weekly Rate Period, as established in accordance with the Resolution.

“Weekly Rate Mode” means a Rate Mode in which a Series 2009 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.

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

APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT

The following is a brief summary of certain provisions of the Loan Agreement pertaining to each Series of the Series 2009 Bonds and the Project. Such summary does not purport to be complete and reference is made to the Loan Agreement for the full and complete statements of such and all provisions. Unless otherwise indicated, the provisions summarized below have, in all material respects, the same meaning in the Loan Agreement. Defined terms used in the Loan Agreement shall have the meanings ascribed to them in Appendix A.

Construction of the Project

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

(Section 5)

Project Amendment; Cost Increases; Sale or ConveyanceThe Project may be amended by agreements supplementing the Loan Agreement by and between the Authority and the School, to decrease, increase or otherwise modify the scope thereof. The Authority will not unreasonably withhold or delay its consent to any such amendments. 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 the Project which the Authority is authorized to undertake.

(Section 6)

Financial Obligations; Nature of Obligations

(a) The School by the Loan Agreement unconditionally agrees to pay, so long as Bonds are Outstanding, to or upon the order of the Authority, from its general funds or any other money legally available to it:

(i) On or before the date of delivery of the Series 2009 Bonds, the Authority Fee agreed to by the Authority and the School in connection with issuance of the Series 2009 Bonds;

(ii) On or before the date of delivery of the Series 2009 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 Series 2009 Bonds, and other costs in connection with the issuance of the Series 2009 Bonds;

(iii) With respect to Series 2009 Bonds that bear interest at variable interest rates, on or before the fifth (5th) Business Day immediately prior to an interest payment date on such Series 2009 Bonds, the interest coming due thereon on such interest payment date, assuming that such Series 2009 Bonds will, from and after the next succeeding date on which the rates at which such Series 2009 Bonds bear interest are to be determined, bear interest at a rate per annum equal to the rate per annum on such Series 2009 Bonds on the immediately preceding Business Day, plus one hundred basis points (1.00%);

(iv) With respect to all other Series 2009 Bonds, on the tenth (10th) day of the month succeeding the conversion of the Series 2009 Bonds to a Fixed Rate Mode or Term Rate Mode, and on the tenth (10th) day of each month thereafter to and including the next succeeding interest payment date, an amount equal to one-sixth (1/6th) of the interest coming due on the Series 2009 Bonds on the immediately succeeding interest payment date; provided, however, that, if with respect to the Series 2009 Bonds there are more or fewer than six such payment dates prior to the next succeeding interest payment date on the Series 2009 Bonds, on each payment date prior to such interest payment date the School shall pay an amount equal to the interest coming due on such Series 2009 Bonds on such interest payment date multiplied by a fraction, the numerator of which is one and the denominator of which is the number of payment dates prior to the next succeeding interest payment date on the Series 2009 Bonds; and on the tenth (10th) day of each month thereafter, one-sixth (1/6th) of the interest coming due on such Series 2009 Bonds on the immediately succeeding interest payment date therefor;

(v) On July 10, 2009, and on the tenth (10th) day of each month thereafter, one-twelfth (1/12th) of the principal and Sinking Fund Installment on the Series 2009 Bonds coming due on the next succeeding July 1;

(vi) By 2:30 P.M., New York City time, on the date any Series 2009 Bonds are tendered for purchase by the Holders, the amount, in immediately available funds, required to pay the purchase price of such Series 2009 Bonds so tendered for purchase and not remarketed or remarketed at less than the principal amount thereof, and which is not to be paid from money to be made available pursuant to the Letter of Credit; *provided, however*, that if notice of the amount required to pay the purchase price of Series 2009 Bonds have been tendered for purchase and not remarketed is given on such date to the School after 12:00 P.M., New York City time, then such amount shall be paid, in immediately available funds, by 5:00 P.M., New York City time, on such day;

(vii) Unless the redemption of Series 2009 Bonds at the option of the Authority or any purchase thereof in lieu of optional redemption is subject to the condition that sufficient money is available on the redemption date or the purchase date, on or prior to the date any notice of optional redemption or purchase in lieu of optional redemption is given, the Redemption Price or purchase price of the Series 2009 Bonds previously called for redemption or to be purchased;

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

(ix) Promptly after notice from the Authority, but in any event not later than fifteen (15) days after such notice is given, the amount set forth in such notice as payable to the Authority (i) for the Authority Fee then unpaid, (ii) to reimburse the Authority for payments made by it pursuant to paragraph (e) of this section and any expenses or liabilities incurred by the Authority pursuant to the

Loan Agreement, (iii) to reimburse the Authority for any external costs or expenses incurred by it attributable to the issuance of the Series 2009 Bonds or the financing or construction of the Project, including, but not limited to, costs and expenses of insurance and auditing, (iv) for the costs and expenses incurred by the Authority to compel full and punctual performance by the School of all the provisions of the Loan Agreement, or of the Security Agreement in accordance with the terms of the Loan Agreement and thereof, and (v) for the fees and expenses of the Trustee and any Paying Agent in connection with performance of their duties under the Resolution and the Series Resolution;

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

(xi) Promptly upon demand by the Authority, the difference between the amount on deposit in the Arbitrage Rebate Fund or otherwise available therefor for the payment of any rebate required by the Code to be made 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 Series 2009 Bonds.

Subject to the provisions of the Loan Agreement and of the Resolution or the Series Resolution, the School shall receive a credit against the amount required to be paid by the School during a Bond Year pursuant to paragraph (v) of this subsection (a) on account of a Sinking Fund Installment if, prior to the date notice of redemption is given for the redemption of the Series 2009 Bonds to be redeemed through such Sinking Fund Installment from the money otherwise required to be paid pursuant to paragraph (v), the School delivers to the Trustee for cancellation one or more Series 2009 Bonds to be so redeemed. The amount of the credit shall be equal to the principal amount of the Series 2009 Bonds so delivered.

The Authority by the Loan Agreement directs the School, and the School by the Loan Agreement agrees to make: (1) the payments required by subparagraphs (iii), (iv), (v) and (vi) of this paragraph (a), directly to the Trustee for deposit in the Debt Service Fund and application in accordance with the Resolution or the Series Resolution; (2) the payments required by subparagraph (vii) of this paragraph (a), directly to the Trustee for payment of the Redemption Price or purchase price of Series 2009 Bonds called for optional redemption or purchase in lieu of optional redemption; (3) the payments required by subparagraph (ii) of this paragraph (a), directly to the Trustee for deposit in the Construction Fund or other fund or account established under the Resolution or the Series Resolution, as directed by the Authority; (4) the payments required by subparagraph (x) of this paragraph (a), directly to the Trustee for application in accordance with the Resolution; (5) the payments required by subparagraph (xi) of this paragraph (a), directly to the Trustee for deposit in the Arbitrage Rebate Fund, and (6) the payments required by subparagraphs (i), (viii) and (ix) of this paragraph (a), directly to the Authority.

(b) Notwithstanding any provision in the Loan Agreement or in the Resolution or the Series Resolution to the contrary (except as otherwise specifically provided for in this paragraph), (1) all money paid by the School to the Trustee pursuant to subparagraphs (iii), (iv), (v), (vii) and (x) of paragraph (a) of this subsection (other than money received by the Trustee pursuant to the Resolution which shall be retained and applied by the Trustee for its own account) shall be received by the Trustee as agent for the Authority in satisfaction of the School's indebtedness to the Authority with respect to the interest on and principal or Redemption Price of the Series 2009 Bonds to the extent of such payment are applied to the payment of the principal or Redemption Price of or interest on the Series 2009 Bonds, and (2) the transfer by the Trustee of any money (other than money described in clause (1) of this paragraph (b)) held by it in the Construction Fund to the Debt Service Fund in accordance with the applicable provisions of the Loan Agreement or of the

Resolution shall be deemed, upon such transfer, receipt by the Authority from the School of a payment in satisfaction of the School's indebtedness to the Authority with respect to the Redemption Price of the Series 2009 Bonds to the extent of the amount of money transferred. Immediately after receipt or transfer of such money, as the case may be, by the Trustee, the Trustee shall hold such money in trust in accordance with the applicable provisions of the Resolution and the Series Resolution for the sole and exclusive benefit of the Bondholders, regardless of the actual due date or applicable payment date of any payment to the Bondholders, except in respect to the payment to the School by the Trustee as provided for in the Resolution.

(c) The obligations of the School 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 School may otherwise have against the Authority, the Trustee or any Bondholder for any cause whatsoever including, without limiting the generality of the foregoing, failure of the School to complete the Project or the completion thereof with defects, failure of the School to occupy or use the Project, any declaration or finding that the Series 2009 Bonds are or the Resolution or the Series Resolution is invalid or unenforceable or any other failure or default by the Authority or the Trustee; **provided, however**, that nothing in the Loan Agreement shall be construed to release the Authority from the performance of any agreements on its part in the Loan Agreement 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 School may School 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 School for, or to pay, the Costs of the Project beyond the extent of money in the Construction Fund.

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

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

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

(f) The School, if there is not then an Event of 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 accordance with the directions of the Authority in the Debt Service Fund or held by the Trustee for the payment of Series 2009 Bonds in accordance with the Resolution. Upon any voluntary payment by the School or any deposit in the Debt Service Fund made pursuant to paragraph (b) of this section, the Authority agrees to direct the Trustee to purchase or redeem Series 2009 Bonds in accordance with the Resolution or to give the Trustee irrevocable instructions in accordance with the Resolution; **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 or the

Series Resolution, and to purchase or redemption all Series 2009 Bonds then Outstanding, or to pay or provide for the payment of all Series 2009 Bonds then Outstanding in accordance with the Resolution, the Authority agrees, in accordance with the instructions of the School, to direct the Trustee to purchase or redeem all Series 2009 Bonds Outstanding, or to cause all Series 2009 Bonds Outstanding to be paid or to be deemed paid in accordance with the Resolution.

(g) As soon as practicable after the Project is deemed to be complete in accordance with the Loan Agreement, the Authority shall determine, and notify the School of, the actual Authority Fee incurred by the School in connection with the Project to the date of such notice. The balance, if any, of such Authority Fee then unpaid, to the extent not paid from the Construction Fund, shall be paid by the School pursuant to paragraph (a) of this section. If upon such determination the actual amount of the Authority Fee incurred by the School in connection with the Project to the date of such notice is less than the amount paid theretofore, the Authority shall promptly refund to the School the amount paid in excess of such actual amount.

(Section 9)

Limitations on Parity Debt

Except for the Series 2009 Bond Hedge Agreement, the School will not hereafter create, assume, incur or otherwise become liable for any additional Parity Debt or financial obligation secured by a Lien on the Gross Receipts that is of equal priority with the Lien thereon securing the Law School's obligations hereunder, unless consented in writing by the Authority.

(Section 10)

Security Interest in Gross Receipts

Simultaneously with issuance of the Series 2009 Bonds, the School, as security for the payment of all liabilities and the performance of all obligations of the School pursuant to the Loan Agreement and to the Reimbursement Agreement and to the Series 2009 Bond Hedge Agreement, shall grant to the Authority pursuant to the Security Agreement a continuing security interest in the Gross Receipts.

The School represents and warrants that no part of the Gross Receipts or any right to receive or collect the same or the proceeds thereof is subject to any Lien or assignment, other than Permitted Liens, and that the Gross Receipts are legally available to provide security for the School's performance under the Loan Agreement, the Reimbursement Agreement and the Series 2009 Bond hedge Agreement. The School covenants that it shall not after the Loan Agreement create or permit the creation of any Lien on the Gross Receipts which is prior or equal to the security interest created pursuant to the Security Agreement to secure the School's obligations under the Loan Agreement and under the Reimbursement Agreement and the Series 2009 Bond Hedge Agreement, other than Permitted Liens.

(Section 11)

Warranty as to Title; Liens

The School warrants and represents to the Authority that (i) it has or will have good and marketable title to the Project, free and clear of Liens, except Permitted Liens, so as to permit it to have quiet enjoyment and use thereof for purposes of the Loan Agreement and the School's programs and (ii) the School has or

will have such rights of way, easements or other rights in land as may be reasonably necessary for ingress and egress to and from the Project, for proper operation and utilization of the Project and for utilities required to serve the Project, together with such rights of way, easements or other rights in, to and over land as may be necessary for construction by the School of each the Project.

The School covenants that title to the Project shall be kept free from any Liens or commitments of any kind, other than Permitted Liens and such other Liens, commitments with respect thereto or other matter approved in writing by the Authority and the Bank.

The School warrants, represents and covenants that (i) the Project and the Mortgaged Property are and/or shall be serviced by all necessary utilities (including, to the extent applicable, without limitation, electricity, gas, water, sewer, steam, heating, air-conditioning and ventilation), and (ii) to the extent applicable, the Project shall have its own separate and independent means of access, apart from any other property owned by the School or others. Such access, however, may be through common roads or walks owned by the School used also for other parcels owned by the School.

(Section 13)

Consent to Pledge and Assignment

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

(b) The School warrants and represents that:

(i) it has the requisite power and authority (1) to enter into the Loan Agreement, (2) to incur the indebtedness contemplated thereby, (3) to make and deliver the Security Agreement, and to pledge, grant a security interest in and assign the Gross Receipts to the Authority and the Trustee, for the benefit of the Bondholders and the Bank, in the manner and to the extent provided in the Loan Agreement, therein and in the Resolution and the Series Resolution;

(ii) the Loan Agreement and the Security Agreement are valid, binding and legally enforceable obligations of the School in accordance with their respective terms; provided that such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium of similar laws affecting or relating to the rights of creditors generally and general principles of equity;

(iii) the execution and delivery of the Loan Agreement and the Security Agreement, and the consummation of the transactions contemplated by the Loan Agreement and the Security Agreement and compliance with the provisions of the Loan Agreement and the Security Agreement do not violate, conflict with or result in a breach of any of the terms or provisions of, or constitute a default under, the charter or by-laws of the School or any indenture or mortgage, or any trusts, endowments or other commitments or agreements to which the School is party or by which it or any of its properties are bound, or any existing law, rule, regulation, judgment, order, writ, injunction or decree of any governmental authority, body, agency or other instrumentality or court having jurisdiction over the School or any of its properties; and

(iv) the Gross Receipts are free and clear of any Lien or other charge prior thereto, or of equal rank therewith, other than the Permitted Liens, and that all corporate action on the part of the School to that end has been duly and validly taken.

(c) The School covenants that:

(i) the Gross Receipts shall be kept free and clear of any Liens or other charge prior thereto, or of equal rank therewith, other than the Permitted Liens; and

(ii) it shall at all times, to the extent permitted by law, defend, preserve and protect the pledge, security interest in and assignment of the Gross Receipts, and all of the rights of the Authority, the Bank, and of the Trustee as the assignee of the Authority, against all claims and demands of all persons whomsoever.

(Section 14)

Tax-Exempt Status

The School 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 unrelated business income tax subject to taxation under Section 511 of the Code.

The School covenants 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 School as an organization within the meaning of Section 501(c)(3) of the Code or any successor provision of federal income tax law and (b) it shall not perform any act, enter into any agreement or use or permit the Project to be used in any manner, or for any trade or business or other non-exempt use unrelated to the purposes of the School, which, in the opinion of Bond

Counsel would adversely affect the exclusion of interest on the Series 2009 Bonds from federal gross income pursuant to Section 103 of the Code.

(Section 15)

Use and Control of the Project; Restrictions on Religious Use

Subject to the rights, duties and remedies of the Authority under the Loan Agreement, the School shall have sole and exclusive control and possession of and responsibility for (i) the Project, (ii) the operation of the Project and supervision of the activities conducted therein or in connection with any part thereof, and (iii) the maintenance, repair and replacement of the Project; *provided, however*, that, except as otherwise limited by the Loan Agreement, the foregoing shall not prohibit use of the Project by persons other than the School in furtherance of the School's purposes if such use will not adversely affect the exclusion of interest on the Series 2009 Bonds from gross income for federal income tax purposes.

The School agrees that with respect to the Project or portion thereof, so long as the Project or portion thereof exists and unless and until the Project or portion thereof is sold for the fair market value thereof, the Project or any portion thereof shall not be used for sectarian religious instruction or as a place of religious worship or in connection with any part of a program of a school or department of divinity for any religious denomination; *provided, however*, that the foregoing restriction shall not prohibit the free exercise of any religion; and, provided, further, that if at any time after the Loan Agreement, in the opinion of Bond Counsel, the then applicable law would permit the Project or a portion thereof to be used without regard to the above stated restriction, said restriction shall not apply to the Project and each portion thereof. The Authority and its agents may conduct such inspections as the Authority deems necessary to determine whether the Project or any portion of real property thereof financed by Series 2009 Bonds is being used for any purpose proscribed by the Loan Agreement. The School by the Loan Agreement further agrees that prior to any disposition of any portion of the Project for less than fair market value, it shall execute and record in the appropriate real property records an instrument subjecting, to the satisfaction of the Authority, the use of such portion of the Project to the restriction that (i) so long as such portion of the Project (and, if included in the Project, the real property on or in which such portion of the Project is situated) shall exist and (ii) until such portion of the Project is sold or otherwise transferred to a person who purchases the same for the fair market value thereof at the time of such sale or transfer, such portion of the Project shall not be used for sectarian religious instruction or as a place of religious worship or used in connection with any part of the program of a school or department of divinity of any religious denomination. The instrument containing such restriction shall further provide that such restriction may be enforced at the instance of the Authority or the Attorney General of the State, by a proceeding in any court of competent jurisdiction, by injunction, mandamus or by other appropriate remedy. The instrument containing such restriction shall also provide that if at any time thereafter, in the opinion of Bond Counsel, the then applicable law would permit such portion of the Project, or, if included in the Project, the real property on or in which such portion is situated, to be used without regard to the above stated restriction, then said restriction shall be without any force or effect. For the purposes of this section an involuntary transfer or disposition of the Project or a portion thereof, upon foreclosure or otherwise, shall be considered a sale for the fair market value thereof.

(Section 19 & 20)

Maintenance, Repair and Replacement

The School agrees that, throughout the term of the Loan Agreement, it shall, at its own expense, hold, operate and maintain the Project in a careful, prudent and economical manner, and keep the same, with

the appurtenances and every part and parcel thereof, in good repair, working order and condition, reasonable wear and tear excepted, and shall from time to time make all necessary and proper repairs, replacements and renewals so that at all times the operation of the Project may be properly and advantageously conducted. The School shall not make any change or alteration of a structural nature in or to the Project without the prior written consent of the Authority, such consent not to be unreasonably withheld or delayed.

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

(Section 21)

Covenant as to Insurance

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

(b) The School shall furnish to the Authority annually (1) a certificate or report of an Insurance Consultant that the insurance coverage maintained by the School is adequate and in accordance with the standards above, and (2) any certificates of workers' compensation insurance and disability benefits insurance coverage required by the New York State Workers' Compensation Board.

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

(Section 22)

Damage or Condemnation

In the event of a taking of the Project or any portion thereof by eminent domain or of condemnation, damage or destruction affecting all or part of the Project (a "**Loss Event**") where the proceeds of any insurance, condemnation or eminent domain award (the "**Loss Proceeds**") do not exceed \$750,000, such Loss Proceeds shall be paid to the School. If the Loss Proceeds payable upon the occurrence of a Loss Event exceed \$750,000 the entire amount of such Loss Proceeds shall be paid into such account as the Authority and the Bank shall jointly direct and applied as hereafter provided in this section.

(i) If within ninety (90) days of a Loss Event, the School so elects, it shall proceed thereafter, at its own cost and expense (except to the extent that Loss Proceeds are available therefor) to promptly and diligently rebuild, repair or restore, or cause to be rebuilt, replaced, repaired or restored, the Project to substantially its condition immediately prior to the Loss Event, or to a condition of at least equivalent value, operating efficiency and function, regardless of whether or not the Loss Proceeds derived from the Loss Event shall be sufficient to pay the cost thereof, and the

School shall not by reason of payment of any such excess costs be entitled to any reimbursement from the Authority, the Trustee or any owner of a Series 2009 Bond, nor shall the amounts payable by the School under the Loan Agreement be abated, postponed or reduced.

(ii) If the School elects not to rebuild, repair or restore, or cause to be rebuilt, replaced, repaired or restored, or if an election is not made with ninety (90) days after a Loss Event, the Loss Proceeds shall, subject to the term of any intercreditor agreement by and among, *inter alia*, the Authority and the IDA, be transferred to and deposited in the Debt Service Fund and applied to the redemption of Series 2009 Bonds.

(Section 23)

Reporting Requirements; Access to Records

(a) **Reporting Requirements.** The School shall furnish or cause to be furnished to the Authority, the Trustee and such other persons as the Authority may designate:

(i) annually, within one hundred eighty (180) days after the end of the School's Fiscal Year, (A) a copy of the annual audited financial statements of the School for such Fiscal Year, including therein without limitation, a balance sheet as of the end of such Fiscal Year, a statement of changes in net assets and a statement of activities for such Fiscal Year or such other financial statements then required in accordance with generally accepted accounting principles applicable to the School, audited by Nawrocki Smith LLP or another firm of independent public accountants of recognized standing as may be reasonably acceptable to the Authority, (B) a copy of any management letter prepared by the auditors, (C) a certificate or other instrument signed by an Authorized Officer of the School stating whether an Event of Default, or, to the best of the Authorized Officer's knowledge, an event that, with the giving of notice or the passage of time, or both, would constitute such an Event of Default, has occurred and is continuing, and, if such an Event of Default or such an event has occurred and is continuing, a statement as to the nature thereof, and (D) if such an Event of Default or such an event has occurred and is continuing, a certificate of an Authorized Officer of the School setting forth the action that the School proposes to take with respect thereto;

(ii) prompt written notice, but in no event more than thirty (30) days after commencement, of any adverse litigation (A) seeking damages in excess of the \$1,000,000 over the applicable insurance coverage or (B) in which an adverse determination may have a material adverse effect on the combined financial or operating condition of the School;

(iii) advance written notice of any pending corporate acquisition, merger or consolidation, or the change in ownership or dissolution of or by the School and, within ten (10) days after any of the foregoing become effective;

(iv) such reports with respect to the condition of, and repairs, replacements, renovations, and maintenance, to the Project as the Authority may from time to time reasonably request; and

(v) such other information respecting the business, property or the condition or operations, financial or otherwise, of the School as the Authority may from time to time reasonably request (other than information the School is required by law to keep confidential), including, but not limited to, such information as, in the reasonable judgment of the Authority, may be necessary in

order to ensure compliance with applicable federal securities laws in effect from time to time or to maintain a market for or enable securities dealers to offer the Bonds for sale.

(b) **Access to Records.** At any and all reasonable times, upon reasonable notice, and from time to time, permit the Authority and the Trustee, or any agents or representatives thereof, to examine and make copies of and abstracts from the records and books of account (other than those books and records that by law must be treated as confidential) of, and visit the properties of the School and to discuss the affairs, finances and accounts of the School with any of their respective officers.

(Section 25)

Defaults and Remedies

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

(i) the School shall default in the timely payment of any amount payable pursuant to the section above titled “Financial Obligations” or the payment of any other amounts required to be delivered or paid in accordance with the Loan Agreement, the Series Resolution or with the Resolution, and such default continues for a period in excess of seven (7) days;

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

(iii) as a result of any default in payment or performance required of the School under the Loan Agreement or any Event of Default under the Loan Agreement, whether or not declared, continuing or cured, the Authority shall be in default in the payment or performance of any of its obligations under the Resolution or an “event of default” (as defined in the Resolution) shall have been declared under the Resolution so long as such default or event of default shall remain uncured or the Trustee or Holders of the Series 2009 Bonds shall be seeking the enforcement of any remedy under the Resolution as a result thereof;

(iv) the School shall be in default under the Security Agreement and such default continues beyond any applicable grace period;

(v) the School shall be in default beyond any applicable notice and grace period on any Parity Debt or under any Hedge Agreement and as a consequence thereof such Parity Debt has been or is capable of being declared immediately due and payable or such Hedge Agreement terminates or may be terminated by the counterparty thereto;

(vi) the School 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 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 finally adjudicated insolvent or be liquidated in a non–appealable action or (F) take corporate action for the purpose of any of the foregoing;

(vii) a court or governmental authority of competent jurisdiction shall enter an order appointing, without consent by the School, 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 School, or any petition for any such relief shall be filed against the School and such order or petition shall not be dismissed within ninety (90) days;

(viii) the charter of the School shall be suspended or revoked in a non–appealable action;

(ix) a petition to dissolve the School shall be filed by the School with the legislature of the State or other governmental authority having jurisdiction over the School;

(x) an order of dissolution of the School shall be made by the legislature of the State or other governmental authority having jurisdiction over the School, which order shall remain undismissed or unstayed for an aggregate of ninety (90) days;

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

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

(xiii) a final judgment for the payment of money, which is not covered by insurance or reserves set aside by the School, and which, in the judgment of the Authority, will materially adversely affect the rights of the Bondholders, shall be rendered against the School and at any time after forty–five (45) days from the entry thereof, (i) such judgment shall not have been discharged or (ii) the School 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 for the enforcement thereof, to have been stayed pending determination of such appeal; or

(xiv) on the giving of notice by the Bank 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 Series 2009 Bonds in accordance with the Bond Series Certificate.

(b) Upon the occurrence of an Event of Default the Authority may take, so long as such Event of Default is continuing at the time taken, any one or more of the following actions:

(i) declare all sums payable by the School 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 the Series 2009 Bonds or the Construction Fund or otherwise to which the School may otherwise be entitled under the Loan Agreement, and, in the Authority's sole discretion, apply any such proceeds or money to payment of the Series 2009 Bonds in accordance with the Resolution;

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

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

(v) realize upon the security interest in the Gross Receipts in accordance with the Security Agreement; and

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

(vii) All rights and remedies in the Loan Agreement given or granted to the Authority are, to the extent permitted by law, 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.

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

(Section 28)

Investment of Money

The School by the Loan Agreement acknowledges that the Authority may in its sole discretion direct the investment of money held in the funds and accounts established by or pursuant to the Resolution or the Series Resolution as provided therein and that no representation or warranty has been made by the Authority with respect to interest rates on, or the amount to be earned as a result of, any such investment. Neither the Authority nor the Trustee shall have any liability arising out of or in connection with the making of any investment authorized by the provisions of the Resolution in the manner provided therein, for any depreciation in value of any investment or for any loss, direct or indirect, resulting from any such investment. The Authority by the Loan Agreement agrees that it shall direct the investment of the money held in the funds and accounts established in connection with the Series 2009 Bonds as soon as practicable when money is legally available therefor.

(Section 30)

Limitation on AgreementsThe School shall not enter into any contract or agreement or perform any act which is reasonably likely to adversely affect any of the assurances or rights of the Authority under the Loan Agreement or the Holders of any Bonds issued under the Resolution, including but not limited to the Series 2009 Bonds.

(Section 32)

Arbitrage; Tax Exemption

Each of the School 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 Series 2009 Bonds, which would cause the Series 2009 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 Series 2009 Bonds at the time of such action, investment or use. Neither the School nor any "related party" (as such term is defined for purposes of Section 148 of the Code) shall purchase any Series 2009 Bonds other than for delivery to and cancellation by the Trustee, unless the Trustee shall receive an opinion of Bond Counsel to the effect that the purchase by the School or by a related person of Series 2009 Bonds will not cause interest on the Series 2009 Bonds to be included in the gross income of the owners of the Series 2009 Bonds for purposes of federal income taxation.

The School covenants that it will not take any action or fail to take any action which would cause any representation or warranty of the School contained in a Tax Certificate then to be untrue and shall comply with all covenants and agreements of the School contained in each Tax Certificate, unless, in the opinion of Bond Counsel, taking or failing to take such action or failing to comply with

its obligations under a Tax Certificate would not adversely affect the exclusion of interest on any Bonds from gross income for federal income tax purposes.

In the event that the Authority is notified in writing that the Series 2009 Bonds or any transaction pertaining thereto is the subject of any Internal Revenue Service or Securities and Exchange Commission investigation, suit or order, it shall promptly give notice thereof to the School. In the event that the School is notified in writing that the Series 2009 Bonds or any transaction pertaining thereto is the subject of any Internal Revenue Service or Securities and Exchange Commission investigation, suit or order, it shall promptly give notice thereof to the Authority. Upon the occurrence of such an event, the School and the Authority shall fully cooperate with one another and participate in all aspects of the conduct of the response thereto.

The Authority shall retain in its possession, so long as required by the Code, copies of all documents, reports and computations made by it in connection with the calculation of earnings and the rebate of all or a portion thereof to the Department of the Treasury of the United States of America, which shall be subject at all reasonable times to the inspection of the School and its agents and representatives, any of whom may make copies thereof. The School shall promptly upon the written request of the Authority provide the Authority with all information regarding any funds and accounts not under the control of the Authority or the Trustee, or investments not made by the Trustee or by or at the direction of the Authority, as the Authority determines to be necessary in order for it to comply with the arbitrage and rebate requirements of the Code. Upon written request, the Authority shall provide the School with a copy of all documents or reports filed with the Department of Treasury of the United States of America relating to the rebate of earnings or income derived from the investment of proceeds of the Series 2009 Bonds. The School shall pay all reasonable costs and expenses incurred by the Authority in connection with the calculation of its rebate obligations, including, but limited to the reasonable fees and expenses of any consultant engaged by the Authority, the Trustee or the School in connection with such calculations.

(Section 33)

Certificate as to Representations and Warranties

The obligations of the Authority under the Loan Agreement and the delivery of the Series 2009 Bonds are conditioned upon the receipt by the Authority at or prior to delivery of the Series 2009 Bonds of a certificate of an Authorized Officer of the School acceptable to an Authorized Officer of the Authority to the effect that the representations and warranties contained in the Loan Agreement are true and correct and in full force and effect on and as of the date of delivery of the Series 2009 Bonds as if made on the date of delivery of the Series 2009 Bonds.

(Section 35)

Amendments to Loan Agreement

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

(Section 39)

Termination

The Loan Agreement shall remain in full force and effect until no Series 2009 Bonds are Outstanding and all other payments, expenses and fees payable under the Loan Agreement by the School shall have been paid or provision for the payment thereof have been made to the satisfaction of the Authority; *provided, however*, that the obligation of the School to indemnify the Authority under the Loan Agreement shall survive termination of the Loan Agreement. Upon termination of the Loan Agreement the Authority shall promptly deliver such documents as may be reasonably requested by the School to evidence such termination and the discharge of the School's duties under the Loan Agreement, including the termination of the security interest in the Gross Receipts.

(Section 40)

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

The following is a brief summary of certain provisions of the Resolution pertaining to the Series 2009 Bonds. 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 in the Resolution shall have the meanings ascribed to them in Appendix A or in the body of this Official Statement.

Resolution and Bonds Constitute a Contract

The Resolution authorizes the issuance by the Authority from time to time of its New York Law School Revenue Bonds in one or more Series, each such Series to be authorized by a separate Series Resolution and separately secured from each other Series Bonds; *provided, however*, that any Series of Bonds issued subsequent to a Series of Bonds secured by the Gross Receipts or a Mortgage on any Mortgaged Property may be equally and ratably secured by the Gross Receipts or a Mortgage on such Mortgaged Property, or both, as may be provided in the Series Resolution authorizing such subsequent Series of Bonds and the Loan Agreement executed in connection with such subsequent Series of Bonds. Except as otherwise authorized by Section 2.01 of the Resolution, each Series of Bonds shall be separate and apart from any other Series of Bonds and the Holders of a Series of Bonds shall not be entitled to the rights, benefits and security conferred upon the Holders of Bonds of any other Series. With respect to the Bonds of a Series, in consideration of the purchase and acceptance of any and all of the Bonds of a Series authorized by a Series Resolution to be issued under the Resolution by those who shall hold or own the same from time to time, the Resolution, the Series Resolution authorizing the issuance of the Bonds of such Series and any Bond Series Certificate executed in connection with such Bonds shall be deemed to be and shall constitute a contract among the Authority, the Trustee and the Holders from time to time of the Bonds of such Series, and the pledge and assignment to the Trustee made in the Resolution and in the Series Resolution authorizing such Bonds and the covenants and agreements set forth in the Resolution and the Series Resolution to be performed by or on behalf of the Authority shall be for the equal and ratable benefit, protection and security of the Holders of any and all of the Bonds of such Series, 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 Bonds of such Series over any other Bonds of such Series except as expressly provided in the Resolution or permitted by the Resolution.

(Section 1.03)

Assignment of Certain Rights and Remedies

With respect to each Series of Bonds, as security for the payment of the principal, Sinking Fund Installments, if any, and Redemption Price of, and interest on, the Outstanding Bonds of a Series and for the performance of each other obligation of the Authority under the Resolution and the payment of all amounts owed to a Bank pursuant to the applicable Reimbursement Agreement and for the performance of each other obligation of the School thereunder, the Authority may, pursuant to a Series Resolution, grant, pledge and assign to the Trustee and, if the Bonds are Letter of Credit Secured Bonds, to the Bank, and to the issuer of any financial guaranty insurance policy insuring the Bonds, all of the Authority's estate, right, title, interest and claim in, to and under a Loan Agreement and each related Security Agreement and Mortgage, together with all rights, powers, security interests, privileges, options and other benefits of the Authority thereunder,

including, without limitation, the immediate and continuing right to receive, enforce and collect (and to apply the same in accordance with the Resolution) all Revenues, insurance proceeds, sale proceeds and other payments and other security now or hereafter payable to or receivable by the Authority under such Loan Agreement, the Security Agreement and the Mortgage, including without limitation the right to declare the indebtedness under such Loan Agreements immediately due and payable and to foreclose, sell or otherwise realize upon the Gross Receipts and the Mortgaged Property, and the right to make all waivers and agreements in the name and on behalf of the Authority, and to perform all other necessary and appropriate acts under such Loan Agreement and each related Security Agreement and Mortgage, subject to the following conditions:

(i) the Bonds of each Series may be secured *pari passu* by the security interest in the Gross Receipts and a Mortgage on any Mortgaged Property, but shall be separately secured one from another by the Loan Agreement entered into in connection with a particular Series of Bonds and the Mortgage or Mortgages given to secure the School's obligations under such Loan Agreement, and only the Bond of the Series in connection with which such Loan Agreement was entered into and such Mortgages were given shall be secured by such Loan Agreement and Mortgages;

(ii) that the Holders of the Bonds, if any, shall not be responsible or liable in any manner or to any extent for the performance of any of the covenants or provisions thereof to be performed by the Authority; and

(iii) that, unless and until the Bank or the Trustee, in its discretion exercised following an "Event of Default" under a Loan Agreement that is continuing, so elects, by an instrument in writing delivered to the Authority and the School (and then only to the extent that the Trustee or the Bank so elects), neither the Trustee nor the Bank shall be responsible or liable in any manner or to any extent for the performance of any of the covenants or provisions contained in such Loan Agreement, Security Agreement or any Mortgage securing such Loan Agreement to be performed by the Authority (except to the extent of actions undertaken by the Trustee in the course of its performance of any such covenant or provision), the Authority, however, to remain liable to observe and perform all the conditions and covenants, in each Loan Agreement, Security Agreement and each related Mortgage, provided to be observed and performed by it.

Notwithstanding the foregoing, the Authority retains the right to (i) the payment of any fees, costs, and expenses of the Authority payable pursuant to a Loan Agreement, (ii) the indemnities provided thereby and payments made pursuant to such indemnities and (iii) the exercise of any right or remedy available under each Loan Agreement, Security Agreement or Mortgage for the enforcement of the obligations of the School to which the Authority has retained such right.

Any grant, pledge or assignment made pursuant to this section shall be evidenced by instruments in form and substance reasonably satisfactory to the Trustee or the Bank executed and delivered by the Authority as soon as practicable after a Loan Agreement is entered into or a Mortgage or security interest is made or given. The Trustee and the Bank shall each accept such grant, pledge and assignment which acceptance shall be evidenced in writing and signed by an Authorized Officer of the Trustee and the Bank, respectively, in form and substance reasonably satisfactory to the Authority.

(Section 1.04)

Provisions for Issuance of Bonds and Additional Obligations

The issuance of Bonds of a Series shall be authorized by a Series Resolution or Series Resolutions. The Authority shall, in addition to other requirements, deliver to the Trustee an opinion of Bond Counsel concerning the validity of the Resolution and the Bonds, (except in the case of Refunding Bonds) and a certificate of an Authorized Officer of the Institution stating that the Institution is not in default under the Loan Agreement.

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, or prior or equal to the rights of the Authority and Holders of Bonds as provided by the Resolution.

(Sections 2.02 and 2.05)

Selection of Bonds to Be Redeemed

In the event of redemption of less than all of the Outstanding Bonds of like Series, maturity and tenor, the Trustee shall assign to each Outstanding Bond of the Series, maturity and tenor to be redeemed a distinctive number for each unit of the principal amount of such Bond equal to the lowest denomination in which the Bonds of such Series are authorized to be issued and shall select by lot, using such method of selection as it shall deem proper in its discretion, from the numbers assigned to such Bonds as many numbers as, at such unit amount equal to the lowest denomination in which the Bonds of such Series are authorized to be issued for each number, shall equal the principal amount of such Bonds to be redeemed. In making such selections the Trustee may draw the Bonds by lot (i) individually or (ii) by one or more groups, the grouping for the purpose of such drawing to be by serial numbers (or, in the case of Bonds of a denomination of more than the lowest denomination in which the Bonds of such Series are authorized to be issued, by the numbers assigned to the Resolution as in this section) which end in the same digit or in the same two digits. If in such a case, upon any drawing by groups, the total principal amount of Bonds drawn shall exceed the amount to be redeemed, the excess may be deducted from any group or groups so drawn in such manner as the Trustee may determine. The Trustee may in its discretion assign numbers to aliquot portions of Bonds and select part of any Bond for redemption.

(Section 4.04)

Notice of Redemption

Whenever Bonds are to be redeemed, the Trustee shall give notice of the redemption of the Bonds in the name of the Authority which notice shall specify: (i) the Bonds to be redeemed which shall be identified by the designation of the Bonds given in accordance with the Resolution, the maturity dates and interest rates of the Bonds to be redeemed and the date such Bonds were issued; (ii) the numbers and other distinguishing marks of the Bonds to be redeemed, including CUSIP numbers; (iii) the redemption date; (iv) the Redemption Price; (v) the principal amount of each Bond to be redeemed; (vi) that, except in the case of Book-Entry Bonds, such Bonds will be redeemed at the principal corporate trust office of the Trustee giving the address thereof and the name and telephone number of a representative of the Trustee to whom inquiries may be directed; (vii) that no representation is made as to the correctness of the CUSIP number either as printed on the Bonds or as contained in such notice and that an error in a CUSIP number as printed on such Bond or as contained in such notice shall not affect the validity of the proceedings for redemption and (viii)

if the Authority's obligation to redeem the Bonds is subject to conditions, a statement that describes the condition to such redemption. Such notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, together with interest accrued and unpaid thereon to the redemption date, and that, from and after such date, payment having been made or provided for, interest thereon shall cease to accrue.

Such notice shall be given by mailing a copy of such notice not less than thirty (30) days nor more than forty-five (45) days prior to the redemption date or, in the case of Variable Interest Rate Bonds or Option Bonds, such shorter period as shall be established by the Series Resolution authorizing such Bonds or the Bond Series Certificate relating to the Resolution, but in no event less than fifteen (15) days prior to the redemption date. Such notice shall be sent by first class mail, postage prepaid, to the registered owners of the Bonds which are to be redeemed, at their last known addresses, if any, appearing on the registration books not more than ten (10) Business Days prior to the date such notice is given. Upon giving such notice, the Trustee shall promptly certify to the Authority that it has mailed or caused to be mailed such notice to the Holders of the Bonds to be redeemed in the manner provided in the Resolution. Such certificate shall be conclusive evidence that such notice was given in the manner required by the Resolution. The failure of any Holder of a Bond to be redeemed to receive such notice shall not affect the validity of the proceedings for the redemption of the Bonds. If directed in writing by an Authorized Officer of the Authority, the Trustee shall also give such notice by publication thereof once in an Authorized Newspaper, such publication to be not less than thirty (30) days nor more than forty-five (45) days prior to the redemption date or, in the case of Variable Interest Rate Bonds or Option Bonds, such shorter period as shall be established by the Series Resolution authorizing such Bonds or the Bond Series Certificate relating to the Resolution, but in no event less than fifteen (15) days prior to the redemption date; *provided, however*, that such publication shall not be a condition precedent to such redemption, and failure to so publish any such notice or a defect in such notice or in the publication thereof shall not affect the validity of the proceedings for the redemption of the Bonds.

(Section 4.05)

Establishment of Funds and Accounts

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

Construction Fund:
Project Account;
Capitalized Interest Account; and
Cost of Issuance Account; and
Debt Service Fund.

(Section 5.01)

Application of Money in the Construction Fund

As soon as practicable after the delivery of a Series of Bonds, the Trustee shall deposit in the Construction Fund established in connection with such Series of Bonds the amount required to be deposited in the Resolution 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 such Construction Fund any money paid to the Authority pursuant to the Resolution and all amounts paid

by the School which by the terms of the Loan Agreement executed in connection with such Series of Bonds are required to be deposited in the Resolution.

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

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

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

(Section 5.03)

Deposit and Allocation of Revenues

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

First: To the applicable Debt Service Fund: (i) in the case of Revenues received during the first six months of each Bond Year, the amount, if any, necessary to make the amount in the Debt Service Fund equal to (a) the interest on the Outstanding Bonds of the Series for which such Debt Service Fund was established payable subsequent to the first day of such Bond Year and on and prior to the first day of the second half of the Bond Year, 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) one-half of the principal and Sinking Fund Installments of Outstanding Bonds of such Series payable during the next succeeding Bond Year; and (c) the purchase price or Redemption Price of the Outstanding Bonds of such Series to the Resolution before contracted to be purchased or called for redemption pursuant to the Resolution on or prior to the first day of the second half of the Bond Year, plus accrued interest thereon to the date of purchase or redemption; and (ii) in the case of Revenues received after the Resolution 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 the Outstanding Bonds of such Series payable subsequent to the first day of the second half of the Bond Year and on and prior to the first day of the next succeeding Bond Year, assuming that a Variable Interest Rate Bond will bear interest, from and after the next date on which the rate at which such Variable Interest Rate Bond bears interest is to be adjusted, at a rate per annum equal to the rate per annum at which such Bonds then bear interest, plus one percent (1%) per annum; (b) one-half of the principal and Sinking Fund Installments of Outstanding Bonds of such Series payable during the next succeeding Bond Year; and (c) the purchase price or Redemption Price of the Outstanding Bonds of such Series to the Resolution before contracted to be purchased or called for redemption pursuant to the Resolution on or prior to the first day of the next succeeding Bond Year, plus accrued interest thereon to the date of purchase or redemption;

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

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

The Trustee shall, promptly after making the above required payments, notify the Authority and the School of any balance of Revenues remaining on the first day of the immediately succeeding Bond Year. 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 School, in the respective amounts set forth in such direction. Any amounts paid to the School shall be free and clear of any pledge, lien, encumbrance or security interest created by the Resolution or by the applicable Series Resolution or the applicable Loan Agreement.

(Section 5.04)

Debt Service Fund

The Trustee shall pay out of the Debt Service Fund established in connection with Bonds of a Series other than Letter of Credit Secured Bonds, when due:

- (i) the interest due and payable on the Outstanding Bonds of such Series;
- (ii) the principal due and payable on the Outstanding Bonds of such Series; and
- (iii) the Sinking Fund Installments or other amounts related to a mandatory redemption, if any, due and payable on the Outstanding Bonds of such Series.

Notwithstanding the provisions of this paragraph (a), the Authority may, at any time subsequent to the first day of any Bond Year but in no event less than forty-five (45) days prior to the succeeding date on which a Sinking Fund Installment is scheduled to be due, direct the Trustee to purchase, with money on deposit in the Debt Service Fund established in connection with the Bonds of a Series, other than Letter of Credit Secured Bonds, at a price not in excess of par plus interest accrued and unpaid to the date of such purchase, Term Bonds of such Series to be redeemed from such Sinking Fund Installment. In addition, the School pursuant to a Loan Agreement may deliver, at any time subsequent to the first day of any Bond Year, but in no event less than forty-five (45) days prior to the succeeding date on which a Sinking Fund Installment is scheduled to be due, to the Trustee for cancellation one or more Term Bonds of such Series to be so redeemed on such date from such Sinking Fund Installment. Any Term Bond so purchased and any Term Bond so delivered to the Trustee 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.

(a) The Trustee shall pay out of the Debt Service Fund established in connection with Letter of Credit Secured Bonds of a Series, when due, all amounts required to be paid to the Bank providing the Letter

of Credit for the Bonds of such Series of Bonds to reimburse it for money advanced under the Letter of Credit for payment of:

- (i) the interest due and payable on the Outstanding Bonds of such Series;
- (ii) the principal due and payable on the Outstanding Bonds of such Series; and
- (iii) the Sinking Fund Installments or other amounts related to a mandatory redemption, if any, due and payable on the Outstanding Bonds of such Series;

provided, however, that if the Bank fails to honor a properly submitted draw under the Letter of Credit for the Bonds of such Series, such money will be used to make payments due to the Holders of such Series of Bonds.

(Section 5.05)

Arbitrage Rebate Fund

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

Money on deposit in the Arbitrage Rebate Fund shall be applied by the Trustee in accordance with the direction of an Authorized Officer of the Authority to make payments to the Department of the Treasury of the United States of America at such times and in such amounts as the Authority shall determine to be required by the Code to be rebated to the Department of the Treasury of the United States of America. Money which an Authorized Officer of the Authority determines to be in excess of the amount required to be so rebated shall be applied first to reimburse the affected Bank for any money advanced under the related Letter of Credit for which it has not been reimbursed, and second, 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 applicable 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 money 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 such 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 to the Resolution.

(Section 5.06)

Application of Money in Certain Funds for Retirement of Bonds Notwithstanding any other provisions of the Resolution, if at any time the Available Money held in the Debt Service Fund established in connection with a Series of Bonds for the payment of the principal and Sinking Fund Installments of the Bonds of such Series, together with the Available Money held in the Debt Service Reserve Fund established

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

(Section 5.07)

Transfer of Investments

Whenever money in any fund or account established under the Resolution is 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 money, 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 5.08)

Security for Deposits

All money held under the Resolution by the Trustee shall be continuously and fully secured, for the benefit of the Authority and the Holders of the Bonds, by direct obligations of the United States of America or obligations the principal of and interest on which are guaranteed by the United States of America of a market value equal at all times to the amount of the deposit so held by the Trustee; *provided, however*, (a) that if the securing of such money 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 money with them pursuant to the Resolution and held in trust for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price of or interest on any Bonds, or for the Trustee to give security for any money which shall be represented by obligations purchased or other investments made under the provisions of the Resolution as an investment of such money.

(Section 6.01)

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

In lieu of the investments of money in obligations authorized in paragraph (a) of this section, the Trustee shall, to the extent permitted by law, upon direction of the Authority given or confirmed in writing,

signed by an Authorized Officer of the Authority, invest money in a Construction Fund or Debt Service Reserve Fund in any Permitted Investment; *provided, however*, that each such investment shall permit the money so deposited or invested to be available for use at the times at which the Authority reasonably believes such money will be required for the purposes of the Resolution, *provided, further*, that (x) any Permitted Collateral required to secure any Permitted Investment shall have a market value, determined by the Trustee or its agent periodically, but no less frequently than weekly, at least equal to the amount deposited or invested including interest accrued thereon, (y) the Permitted Collateral shall be deposited with and held by the Trustee or an agent of the Trustee approved by an Authorized Officer of the Authority, and (z) the Permitted Collateral shall be free and clear of claims of any other person.

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

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

Notwithstanding anything to the contrary in the Resolution, the Authority, in its discretion, may direct the Trustee to, and the Trustee shall, sell, present for redemption or exchange any investment held by the Trustee pursuant to the Resolution and the proceeds thereof may be reinvested as provided in this section. Except as otherwise provided in the Resolution, the Trustee shall sell at the best price obtainable, or present for redemption or exchange, any investment held by it pursuant to the Resolution whenever it shall be necessary in order to provide money to meet any payment or transfer from the fund or account in which such investment is held. The Trustee shall advise the Authority and the School 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), (b) and (c) 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.

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, including but not limited to the objects and purposes for which proceeds of the Bonds were expended and the respective amounts expended for such objects and purposes. Such 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 School, the Trustee or of any Holder of a Bond or his representative duly authorized in writing. The Trustee shall annually prepare a report which shall be furnished to the Authority, each Bank and the School. 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 any Bonds, the Revenues pledged thereto, the funds and accounts established by or pursuant to any Series Resolution authorizing the issuance of such Bonds and the Authority's security interest, if any, in the Gross Receipts or other personal property of the Law School or Mortgage, if any, on any Mortgaged Property given or made by the Law School to secure its obligations under the Loan Agreement entered into in connection with such Bonds; *provided, however*, that nothing contained in the Resolution shall prevent the Authority from issuing bonds, notes or other obligations or otherwise incurring indebtedness under another and separate resolution or otherwise so long as the charge or lien created by such resolution is not prior or equal to the charge or lien created pursuant to the Resolution.

(Section 7.06)

Enforcement of Duties and Obligations of the Law School

To the extent not inconsistent with the provisions of any assignment of its rights under the Loan Agreement and in and to any security agreements or Mortgages securing the Law School's obligations thereunder and as permitted by the provisions of such assignment, the Authority shall take all legally available action to cause the School to perform fully all duties and acts and comply fully with the covenants of the School required by a Loan Agreement in the manner and at the times provided in such Loan Agreement; *provided, however*, that in taking such action the Authority may (i) delay or defer enforcement of one or more provisions of the Loan Agreement (other than provisions requiring the payment of money or the delivery of securities to the Trustee for deposit to any fund or account established under the Resolution) if the Authority determines such delay or deferment will not materially adversely affect the interests of the Holders of the Bonds and (ii) annul any declaration that the indebtedness under a 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 such Loan Agreement, discontinue such action or proceeding if the School shall have cured each event of default under such Loan Agreement.

(Section 7.07)

Deposit of Certain Money in the Construction Fund Except as otherwise provided in the Loan Agreement relating to a Series of Bonds and in the related Mortgage, in addition to the proceeds of Bonds to be deposited in the Construction Fund, any money paid to the Authority for the acquisition, construction, reconstruction, renovation or equipment of any Project, including the proceeds of any insurance of condemnation award to be so applied, 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, registration, transfer or exchange and the Trustee is by the Resolution appointed the Trustee 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) Each Loan Agreement may, without the consent of the Holders of Bonds, be amended, changed, modified, altered or supplemented for any one or more purposes:

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

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

(iii) to surrender any right, power or privilege reserved to or conferred upon the School, if surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the School contained in the Loan Agreement;

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

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

(vi) 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 rights of the Bondholders in any material respect.

(b) Notwithstanding the provisions of paragraph (a) of this section, the Loan Agreement relating to a Series of Bonds may not be amended, changed, modified, altered or terminated, nor may any provision thereof be waived, without the consent of the Holders of Outstanding Bonds of such Series as in the Resolution after provided if such amendment, change, modification, alteration, termination or waiver (i) reduces the amount of Revenues payable by the School 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 under the Resolution, or (iv) adversely affects the rights of the Bondholders in any material respect.

No such amendment, change, modification, alteration, termination or waiver shall take effect unless and until there shall have been filed with the Trustee (i) the written consent of the Holders of at least a majority in principal amount of the Bonds then Outstanding of the affected Series and (ii) an Opinion of Bond Counsel; **provided, however**, that if such amendment, change, modification, alteration, termination or waiver will, by its terms, not take effect so long as any Bonds of any specified maturity of such Series remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this section.

No amendment, change, modification or termination of a Loan Agreement, or waiver of a provision thereof shall be made other than pursuant to a written instrument signed by the parties to the Resolution. 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 the affected Bank.

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

(c) For the purposes of this section, the purchasers of Bonds, whether purchasing as underwriters, Remarketing Agent or otherwise for resale, may upon such purchase consent to an amendment, change, modification, alteration, termination or waiver permitted by this section in the manner provided in the Resolution, except that no proof of ownership shall be required, and with the same effect as a consent given by the Holder of such Bonds; **provided, however**, that, if such consent is given by a purchaser who is purchasing as an underwriter, Remarketing Agent or otherwise for resale, the nature of the amendment, change, modification, alteration, termination or waiver and the provisions for the purchaser consenting to the Resolution shall be described in the official statement, prospectus, offering memorandum or other offering document prepared in connection with the initial offering, reoffering or resale of the Bonds of such Series. In addition, the Holder of an Outstanding Auction Rate Bond shall be deemed to have consented to an amendment, change, modification, alteration or termination permitted by this section if (i) the Trustee has mailed notice of such proposed amendment to the Holder of such Bonds in the same manner required by the Resolution for an amendment to the Resolution, (ii) on the first Auction Date for such Bond occurring at least twenty (20) days after the date on which the aforementioned notice is given by the Trustee the interest rate determined on such date is the Winning Bid Rate and (iii) there is delivered to the Authority and the Trustee an opinion of Bond Counsel to the effect that such amendment shall not adversely affect the validity of such Auction Rate Bond or any exemption from federal income tax to which the interest on such Auction

Rate Bond would otherwise be entitled. As used in this paragraph the following terms shall have the respective meanings: **“Auction Rate Bond”** means a Variable Interest Rate Bond that is not an Option Bond, and that bears interest at rates determined by periodic auctions in accordance with procedures therefore established by the Series Resolution authorizing such Bond or the Bond Series Certificate related to the Resolution; **“Auction Date”** means, with respect to any particular Auction Rate Bond, the date on which an auction is held or required to be held for such Bond in accordance with the procedures established therefore; and **“Winning Bid Rate”** when used with respect to an auction held for any particular Auction Rate Bond, shall have the meaning given to such term in the Series Resolution authorizing such Auction Rate Bond or the Bond Series Certificate related to the Resolution, or, if not otherwise defined, means the lowest rate specified in any purchase bid submitted in such auction, which, if selected, would cause the aggregate principal amount of Auction Bonds offered to be sold in such auction to be subject to purchase bids at rates no greater than the rate specified in such purchase bid.

For the purposes of this section, a Series shall be deemed to be adversely affected by an amendment, change, modification, alteration or termination of the Loan Agreement or the waiver of any provision thereof if the same adversely affects or diminishes the rights of the Holders of the Bonds of such Series in any material respect, which determination shall be made without regard to the existence of any financial guaranty insurance policy issued in connection with such Bonds or a Letter of Credit for such Bonds. The Trustee may in its discretion determine whether or not, in accordance with the foregoing provisions, Bonds of any particular Series would be adversely affected in any material respect by any amendment, change, modification, alteration, termination or waiver and any such determination shall be binding and conclusive on the School, the Authority and all Holders of Bonds.

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

(Section 7.11)

Notice as to Event of Default under Loan Agreement

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

(Section 7.12)

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 and written copy thereof to each affected Bank:

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

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

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

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

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

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

(g) To modify or amend a Project; or

(h) 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 rights of the Bondholders in any material respect.

(Section 9.01)

Supplemental Resolutions Effective With Consent of Bondholders

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

(Section 9.02)

General Provisions Relating to Series Resolutions and Supplemental Resolutions

The Resolution shall not be modified or amended in any respect except in accordance with and subject to the provisions of the Resolution. Nothing contained in the Resolution shall affect or limit the rights or obligations of the Authority to adopt, make, do, execute or deliver any resolution, act or other

instrument pursuant to the provisions of the Resolution or the right or obligation of the Authority to execute and deliver to the Trustee any instrument elsewhere in the Resolution provided or permitted to be delivered to the Trustee.

A copy of every Series Resolution and Supplemental Resolution adopted by the Authority, when filed with the Trustee, shall be accompanied by an opinion of Bond Counsel stating that such Series Resolution or Supplemental Resolution has been duly and lawfully adopted in accordance with the provisions of the Resolution, is authorized or permitted by the Resolution and is valid and binding upon the Authority and enforceable in accordance with its terms. The Trustee shall transmit a copy of such Supplemental Resolution to the School and to each Bank upon its becoming effective.

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

No Series Resolution or Supplemental Resolution changing, amending or modifying any of the rights or obligations of the Trustee shall become effective without the written consent of the Trustee.

(Section 9.03)

Powers of Amendment

Any modification or amendment of the Resolution and of the rights and obligations of the Authority and of the Holders of the Bonds of a Series, in any particular, may be made by a Supplemental Resolution, with the written consent given as in the Resolution after provided in the Resolution, (i) of the Holders of at least a majority in principal amount of the Bonds Outstanding at the time such consent is given, or (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the Holders of at least a majority in principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given, or (iii) in case the modification or amendment changes the amount or date of any Sinking Fund Installment, of the Holders of at least a majority in principal amount of the Bonds of the particular Series, maturity and interest rate entitled to such Sinking Fund Installment, Outstanding at the time such consent is given; *provided, however*, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series, maturity and tenor remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this section. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment. For the purposes of this section, a Series shall be deemed to be affected by a modification or amendment of the Resolution if the same adversely affects or diminishes the rights of the Holders of Bonds of such Series in any material respect.

(Section 10.01)

Consent of Bondholders

The Authority may at any time adopt a Supplemental Resolution making a modification or amendment permitted by the provisions of the Resolution to take effect when and as provided in this section. A copy of such Supplemental Resolution (or brief summary thereof or reference to the Resolution in form approved by the Trustee) together with a request to the Bondholders for their consent to the Resolution in form satisfactory to the Trustee, shall promptly after adoption be mailed by the Authority to the Bondholders (but failure to mail such copy and request to any particular Bondholder shall not affect the validity of the Supplemental Resolution when consented to as 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 Holders of the percentages of Outstanding Bonds specified in the Resolution and (b) an opinion of Bond Counsel stating that such Supplemental Resolution has been duly and lawfully adopted and filed by the Authority in accordance with the provisions of the Resolution, is authorized or permitted by the Resolution, and is valid and binding upon the Authority and enforceable in accordance with its terms, and (ii) a notice shall have been mailed as in the Resolution. 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 Holders of the Bonds described in the certificate or certificates of the Trustee. Any consent given by a Bondholder shall be binding upon the Bondholder giving such consent and, anything in the Resolution to the contrary notwithstanding, upon any subsequent Bondholder and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by the Bondholder giving such consent or a subsequent Holder thereof by filing with the Trustee, prior to the time when the written statement of the Trustee in the Resolution 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 Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Resolution, the Trustee shall make and file with the Authority and the Trustee a written statement that such Holders of such required percentages of Bonds have filed such consents. Such written statement shall be conclusive that such consents have been so filed. At any time after the Resolution notice, stating in substance that the Supplemental Resolution (which may be referred to as a Supplemental Resolution adopted by the Authority on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of Bonds and will be effective as provided in this section, shall be given to the Bondholders by the Authority by mailing such notice to the Bondholders and, at the discretion of the Authority, by publishing the same at least once not more than ninety (90) days after the Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Resolution and the written statement of the Trustee in the Resolution above 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.

(Section 10.02)

Consent of Bank

Whenever by the terms of the Resolution the consent of any of the Holders of the Bonds of a Series to a modification or amendment of the Resolution made by a Series Resolution or Supplemental Resolution

is required, such modification or amendment shall not become effective until the written consent of each applicable Bank has been obtained. No Supplemental Resolution changing, amending or modifying any of the obligations, rights or powers of a Bank under the Resolution, or under any Series Resolution or related Bond Series Certificate, including without limitation any right or power of such Bank to approve or consent to any act or request or direct the Trustee to take or not to take any action, shall become effective without the written consent of such Bank. Notice of the adoption of any such Series Resolution or Supplemental Resolution and of the effectiveness of the modification or amendment made thereby shall be given to each applicable Bank by mail at the times and in the manner provided in the Resolution with respect to notices thereof required to be given to the Holders of the Bonds of a Series. Notice thereof shall also be given to each Rating Service as soon as practical after adoption of such Series Resolution or Supplemental Resolution and of the effectiveness thereof.

(Section 10.03)

Modifications by Unanimous Consent

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

(Section 10.04)

Events of Default

An event of default shall exist under the Resolution and under each Series Resolution (in the Resolution called “event of default”) if:

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

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

(c) With respect to the Tax Exempt Bonds of any Series, a Determination of Taxability shall have occurred and be continuing; or

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

(e) An “Event of Default” as defined in a Loan Agreement shall have occurred and be continuing and as a consequence all sums payable by the School under the Loan Agreement shall have been declared to be immediately due and payable, which declaration shall not have been annulled.

(Section 11.02)

Acceleration of Maturity

Upon the happening and continuance of any event of default specified in the Resolution, other than an event of default specified in paragraph (c) of the Resolution, then and in every such case the Trustee, upon the written request of the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of each Series, shall, by a notice in writing to the Authority and each Rating Service, declare the principal of and interest on all of the Outstanding Bonds to be immediately due and payable. At the expiration of thirty (30) days 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. If a Letter of Credit is in effect with respect to the Outstanding Bonds of any Series with respect to which such declaration has been made, the Trustee shall take such actions as may be required under such Letter of Credit in order to obtain money thereunder for the payment of the principal of and interest on such Outstanding Bonds on the date such principal and interest shall become due as provided in this Section, and apply the proceeds thereof to the payment thereof. At any time after the principal of the Bonds shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under the Resolution, the Trustee shall, with the written consent of the Holders of not less than twenty-five per centum (25%) in principal amount of the Bonds not then due by their terms and then Outstanding, by written notice to the Authority, annul such declaration and its consequences if: (i) money shall have accumulated in the Debt Service Funds sufficient to pay all arrears of interest, if any, upon all of the Outstanding Bonds (except the interest accrued on such Bonds since the last interest payment date); (ii) money shall have accumulated and be available sufficient to pay the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee; (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; (iv) the Trustee shall have received written confirmation from each Bank that has provided a Letter of Credit in connection with the Bonds of each affected Series that such Letter of Credit shall continue in effect after such declaration has been annulled; and (v) 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 Resolution, then and in every such case, the Trustee may proceed, and, upon the written request of the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of each Series or, in the case of a happening and continuance of an event of default specified in paragraph (c) of the above section titled "Events of Default", of the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of the Series affected by the Resolution, shall proceed (subject to the provisions of the Resolution) to protect and enforce its rights and the rights of the Bondholders under the Resolution or under any Series Resolution or under the laws of the State by such suits, actions or special proceedings in equity or at law, either for the specific performance of any covenant contained under the Resolution or under any Series Resolution or in aid or execution of any power in the Resolution or in the Resolution granted, or for an accounting against the Authority as if the Authority were the trustee of an express trust, or for the

enforcement of any proper legal or equitable remedy as the Trustee shall deem most effectual to protect and enforce such rights.

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

(Section 11.04)

Priority of Payments After Default

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

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

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

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

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

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

Whenever money is to be applied by the Trustee pursuant to the provisions of this section, such money shall be applied by the Trustee at such times, and from time to time, as the Trustee in its sole discretion shall determine, having due regard to the amount of such money available for application and the likelihood of additional money becoming available for such application in the future. The setting aside of such money in trust for application in accordance with the provisions of this section shall constitute proper application by the Trustee, and the Trustee shall incur no liability whatsoever to the Authority, to any Holder of Bonds or to any other person for any delay in applying any such money so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of the Resolution as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such money, it shall fix the date (which shall be on an interest payment date unless the Trustee shall deem another date more suitable) upon which such application is to be made, and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date. The Trustee shall not be required to make payment to the Holder of any Bond unless such Bond shall be presented to the Trustee for appropriate endorsement.

Amounts held by the Trustee after payments to be made pursuant to this section have been made and no Bonds are Outstanding shall be paid and applied in accordance with the Resolution.

(Section 11.05)

Limitation of Rights of Individual Bondholders

No Holder of any of the Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust under the Resolution, or for any other remedy under the Resolution unless such Holder previously shall have given to the Trustee written notice of the event of default on account of which such suit, action or proceeding is to be instituted, and unless also the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of each Series or, in the case of an event of default specified in paragraph (c) of the Resolution, the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of the Series affected by the Resolution, 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 in the Resolution or by the Resolution, and the Trustee shall have refused or neglected to comply with such request within a reasonable time. Such notification, request and offer of indemnity are by the Resolution declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of the Resolution or for any other remedy under the Resolution and in equity or at law. It is understood and intended that no one or more Holders of the Bonds secured by the Resolution shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the Resolution or to enforce any right under the Resolution except in the manner in the Resolution provided, and that all proceedings at law or in equity shall be instituted and maintained for the benefit of all Holders of the Outstanding Bonds. Notwithstanding any other provision of the Resolution, the Holder of any Bond shall have the right which is absolute and unconditional to receive payment of the principal of (and premium, if any) and interest on such Bond on the stated maturity expressed in such Bond (or, in the case of redemption,

on the redemption date) and to institute suit for the enforcement of any such payment, and such right shall not be impaired without the consent of such Holder.

(Section 11.08)

Defeasance

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

Bonds for the payment or redemption of which Available Money shall have been set aside and shall be held in trust by the Trustee (through deposit of Available Money for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph 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 Available Money in an amount which shall be sufficient, or Defeasance Securities purchased with Available Money the principal of and interest on which when due will provide money which, together with the Available Money, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be;

(iii) in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Authority shall have given the Trustee, in form satisfactory to it, irrevocable instructions to give, as soon as practicable, by first class mail, postage prepaid, to the Holders of said Bonds at their last known addresses appearing on the registration books, and, if

directed by the Authorized Officer of the Authority, by publication, at least twice, at an interval of not less than seven (7) days between publications, in an Authorized Newspaper, a notice to the Holders of such Bonds that the deposit required by 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 money is to be available for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on said Bonds;

(iv) the Trustee shall have received an opinion of Bond Counsel to the effect that making provision pursuant to this subsection (b) for payment of any Bond that is a Tax Exempt Bond will not cause said Bond to be considered to have been “reissued” for purposes of Section 1001 of the Code;

(v) the Trustee shall have received the consent of the Bank in the case of Letter of Credit Secured Bonds for which amounts paid under the related Letter of Credit and to be reimbursed to the Bank are due and owing to the Bank;

(vi) the Bank shall receive an opinion of counsel that the defeasance of the Bonds will not adversely impact the exclusion from gross income for federal income tax purposes of interest on the Bonds; and

(vii) the Trustee shall have received a Verification Report.

The Authority shall give written notice to the Trustee and each Rating Service 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 and maturity payment of which shall be made in accordance with this section in the manner provided in the Resolution. Neither Defeasance Securities nor money deposited with the Trustee pursuant to this section nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on said Bonds; **provided, however,** that any money received from such principal or interest payments on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Defeasance Securities maturing at times and in amounts sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest to become due on said Bonds on and prior to such redemption date or maturity date of the Resolution, as the case may be; **provided, further,** that money and Defeasance Securities may be withdrawn and used by the Authority for any purpose upon (i) the simultaneous substitution therefor of either money in an amount which shall be sufficient, or Defeasance Securities the principal of and interest on which when due will provide money which without regard to reinvestment, together with the money, if any, held by or deposited with the Trustee at the same time, shall be sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest due and to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, (ii) receipt by the Trustee of a letter or other written report of a firm of independent certified public accountants verifying the accuracy of the arithmetical computations which establish the adequacy of such money and Defeasance Securities for such purpose and (iii) receipt by the Trustee of an opinion of Bond Counsel to the effect that such withdrawal will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any Bonds. Any income or interest earned by, or increment to, the investment of any such money so deposited, shall, to the extent certified by the Trustee to be in excess of the amounts required in the Resolution above 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 in the Resolution in accordance with the direction of an Authorized Officer of the Authority; second to each affected Bank *pro rata* to reimburse such Bank for any moneys advanced under the related Letter of Credit for which such Banks have not been reimbursed, third, to the Authority the amount certified by an Authorized Officer of the Authority to be then due or past due pursuant to a Loan Agreement for fees and expenses of the Authority or pursuant to any indemnity; and, then, the balance thereof to the School. Such securities so paid or delivered shall be released from any trust, pledge, lien, encumbrance or security interest created by the Resolution or by any Series Resolution or Loan Agreement.

For the purpose 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, in accordance with 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 money and Defeasance Securities on deposit with the Trustee for the payment of interest on such Variable Interest Rate Bonds is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of such Variable Interest Rate Bonds in order to satisfy clause (ii) of the second sentence of paragraph (b) of this section, the Trustee shall pay the amount of such excess as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited in the Resolution in accordance with the direction of an Authorized Officer of the Authority; second, to each affected Bank *pro rata* to reimburse such Bank for any moneys advanced under the Letter of Credit for which such Banks have not been reimbursed; third, to the Authority the amount certified by an Authorized Officer of the Authority to be then due or past due pursuant to a Loan Agreement for fees and expenses of the Authority or pursuant to any indemnity; and, then, the balance thereof to the School. Such securities so paid or delivered shall be released from any trust, pledge, lien, encumbrance or security interest created by the Resolution or by any Series Resolution or Loan Agreement.

For the purpose of determining whether an Option Bonds shall be deemed to have been paid in accordance with paragraph (b) of this section, there shall be deposited with the Trustee Available Money in an amount which shall be sufficient to pay when due the maximum amount of principal of and premium, if any, and interest on such Bonds which could become payable to the Holders of such Bonds upon the exercise of any options provided to the Holders of such Bonds; ***provided, however***, that if, at the time a deposit is made with the Trustee pursuant to paragraph (b) of this section, the options originally exercisable by the Holder of an Option Bond are no longer exercisable, such Bond shall not be considered an Option Bond for purposes of this paragraph (d). If any portion of the money deposited with the Trustee for the payment of the principal of and premium, if any, and interest on Option Bonds is not required for such purpose, the Trustee shall, if requested by the Authority, pay the amount of such excess as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited in the Resolution in accordance with the direction of an Authorized Officer of the Authority; second to each affected Bank *pro rata* to reimburse such Bank for any moneys advanced under the related Letter of Credit for which such Banks have not been reimbursed; third, to the Authority the amount certified by an Authorized Officer of the Authority to be then due or past due pursuant to a Loan Agreement for fees and expenses of the Authority or pursuant to any indemnity; and, then, the balance thereof to the School. Such securities so paid or delivered shall be released from any trust, pledge, lien, encumbrance or security interest created by the Resolution or by any Series Resolution or Loan Agreement.

Anything in the Resolution to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of any of the Bonds of a Series or the interest thereon which remain unclaimed for one (1) year after the date when all of the Bonds of such Series have become due and payable, either at

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

(Section 12.01)

Pledge and Assignment

The proceeds from the sale of the Series 2009 Bonds, the Revenues derived from the Loan Agreement or the Authority's security interest in the Gross Receipts, and, except as otherwise provided herein, all funds and accounts established by the Series Resolution are hereby pledged to the Trustee as security for the payment of the principal and Redemption Price of and interest on the Series 2009 Bonds and as security for the performance of any other obligation of the Authority under the Series Resolution and under the Resolution, and the payment of all amounts owed to the Bank pursuant to the Reimbursement Agreement, all in accordance with the provisions of the Series Resolution and of the Resolution.

The pledges made by the Series Resolution are valid, binding and perfected from the time when the pledge attaches and the proceeds from the sale of the Series 2009 Bonds, the Revenues, all funds and accounts established by the Series Resolution which are pledged by the Series Resolution and the Authority's security interests in the Gross Receipts shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of such pledge shall be valid, binding and perfected as against all parties having claims of any kind in tort, contract or otherwise against the Authority irrespective of whether such parties have notice thereof. No instrument by which such pledge is created nor any financing statement need be recorded or filed. The Series 2009 Bonds shall be special obligations of the Authority payable solely from and secured by a pledge of the proceeds from the sale of the Series 2009 Bonds, the Revenues, all the funds and accounts established by or pursuant to the Series Resolution which are pledged by the Series Resolution and the Authority's security interest in the Gross Receipts.

As further security for (i) the payment of the principal, Sinking Fund Installments, if any, and Redemption Price of, and interest on, the Outstanding Series 2009 Bonds, (ii) the performance of each other obligation of the Authority under the Resolution and under the Series Resolution and (iii) the payment of all amounts owed to the Bank pursuant to the Reimbursement Agreement and for the performance of each other obligation of the School thereunder, the Authority does grant, pledge and assign to the Trustee and the Bank all of the Authority's estate, right, title, interest and claim in, to and under the Loan Agreement, subject to certain retained rights, and the Security Agreement, together with all rights, powers, security interests, privileges, options and other benefits of the Authority thereunder, including, without limitation, the immediate and continuing right to receive, enforce and collect (and to apply the same in accordance with the Series Resolution) all Revenues, insurance proceeds, sale proceeds and other payments and other security now or hereafter payable to or receivable by the Authority under the Loan Agreement and the Security Agreement, including without limitation the right to declare the indebtedness under the Loan Agreement immediately due and payable and to foreclose, sell or otherwise realize upon the Gross Receipts, and the right to make all waivers and agreements in the name and on behalf of the Authority and to perform all other

necessary and appropriate acts under the Loan Agreement and the Security Agreement, subject to the conditions set forth in the Resolution and the provisions of the assignment agreement referred to in last paragraph of this section (the “*Assignment Agreement*”).

Notwithstanding the foregoing, the Authority hereby retains the right, among other rights retained by the Authority as set forth in the Assignment Agreement, to (i) the payment of any fees, costs, and expenses of the Authority payable pursuant to a Loan Agreement, (ii) the indemnities provided thereby and payments made pursuant to such indemnities and (iii) the exercise of any right or remedy available under the Loan Agreement or the Security Agreement for the enforcement of the obligations of the School to which the Authority has retained such right.

(Series Resolution Section 3.01)

Establishment of Funds and Accounts

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

Construction Fund:
Project Account;
Capitalized Interest Account; and
Cost of Issuance Account; and
Debt Service Fund.

(Section 4.01)

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APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE REIMBURSEMENT AGREEMENT

The following is a summary of certain provisions of the Reimbursement Agreement to which reference is made for complete provisions thereof. All terms used in this summary and not defined in the Official Statement 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 under the Reimbursement Agreement:

(a) (i) failure of the School to reimburse the Bank for any drawing honored under the Letter of Credit as required pursuant to the Reimbursement Agreement or (ii) failure of the School to make any payment of any fees or other amounts due pursuant to the Reimbursement Agreement within five (5) Business Days after School receives notice that such fees, reimbursement, payment, or other amounts became due in accordance with the Reimbursement Agreement provided however, such notice requirements are not applicable to the fees set forth in Section 2.03 of the Reimbursement Agreement;

(b) any representation or warranty of the School in any of the Letter of Credit Documents or the Bond Financing Documents or in any certificate or report furnished in connection therewith or in any amendment to the Reimbursement Agreement, shall prove to be false or misleading in any material respect when made;

(c) (i) default beyond any applicable notice and cure periods shall be made in the payment of any obligation of the School for borrowed money or guarantees in excess of \$1,000,000 (other than to the Bank), or (ii) default beyond any applicable notice and cure periods shall be made in respect of any agreement relating to any obligation of the School for borrowed money or guarantees in excess of \$1,000,000 (other than to the Bank) that would permit the holder of such debt to accelerate the maturity of such obligation;

(d) default shall be made in the due observance or performance of any covenant, condition or agreement to be performed by School pursuant to the Reimbursement Agreement (other than as described herein and the Debt Service Coverage Ratio covenant in the Reimbursement Agreement) which shall continue unremedied for more than thirty (30) days after written notice by the Bank; provided, however, that such failure shall not constitute an Event of Default under the Reimbursement Agreement if such failure cannot be remedied within said thirty (30) day period and the School shall have commenced to cure such failure within said thirty (30) day period and shall have, thereafter, diligently prosecuted such cure, provided, further, however, that such failure shall constitute an Event of Default under the Reimbursement Agreement if the School shall fail to completely cure same within sixty (60) days thereof;

(e) (i) default shall be made in the due observance or performance of any covenant, condition or agreement of the School to be performed pursuant to the Letter of Credit Documents or the Bond Financing Documents other than the Debt Service Coverage Ratio covenant in the Reimbursement Agreement and not cured within any applicable grace period or (ii) any of the Letter of Credit Documents or the Bond Financing Documents shall cease to be in full force and effect or shall be declared to be null and void, or the validity or enforceability thereof shall be contested by the School or any party thereto shall deny that it has any further liability to the Bank with respect thereto;

(f) the School shall (i) voluntarily commence any case, proceeding or other action or file any petition seeking relief under Title 11 of the United States Code or any other existing or future Federal, domestic or foreign bankruptcy, insolvency or similar law, (ii) consent to the institution of, or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the employment of a receiver, trustee, custodian, sequestrator or similar official for the School or for a substantial part of their respective property, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, (vi) become unable, admit in writing its inability or fail generally to pay its debts as they become due or (vii) take action for the purpose of effecting any of the foregoing;

(g) an involuntary case, proceeding or other action shall be commenced or an involuntary petition shall be filed in a court of competent jurisdiction seeking (i) relief in respect of the School or of a substantial part of its property, under Title 11 of the United States Code or any other existing or future Federal, domestic or foreign bankruptcy, insolvency or similar law, (ii) the appointment of a receiver, trustee, custodian, sequestrator or similar official for the School or for a substantial part of its property, or (iii) the winding-up or liquidation of the School; and the foregoing proceeding or petition shall continue undismissed for sixty (60) days or an order or decree approving or ordering any of the foregoing shall continue unstayed and in effect for sixty (60) days;

(h) there shall be commenced against the School any case, proceeding or other action seeking issuance of a warrant of attachment, execution, restraint or similar process against all or any substantial part of its assets which results in the entry of an order for any such relief which shall not have been vacated, discharged or stayed or bonded pending appeal within sixty (60) days from the entry thereof;

(i) a final judgment or order for the payment of money in excess of \$1,000,000 which is not otherwise covered by insurance or bonded shall be rendered against the School and either enforcement proceedings shall have been commenced by any creditor upon such judgment or order and the same shall remain undischarged or unbonded or uninsured in the full amount of the judgment for a period of forty five (45) consecutive days after notice of appeal, if any, has been filed or forty five (45) days after expiration of the time for filing such notice has expired;

(j) any Person shall engage in any "prohibited transaction" (as defined in Section 406 of ERISA or Section 4975 of the Code) involving any Plan, (ii) any "accumulated funding deficiency" in excess of \$1,000,000 (as defined in Section 302 of ERISA), whether or not waived, shall exist with respect to any Plan, or any lien in excess of \$1,000,000 shall arise on the assets of the School or any Commonly Controlled Entity in favor of the PBGC or a Plan, (iii) a Reportable Event in excess of \$1,000,000 shall occur with respect to, or proceedings shall commence to have a trustee appointed (or a trustee shall be appointed) to administer, or to terminate, any Single Employer Plan, which Reportable Event or commencement of proceedings or appointment of a trustee is, in the reasonable opinion of the Bank, likely to result in the termination of such Plan for purposes of Title IV of ERISA, (iv) any Single Employer Plan shall terminate for purposes of Title IV of ERISA, (v) the School or any Commonly Controlled Entity shall, or in the opinion of the Bank is likely to, incur any liability in excess of \$1,000,000 in connection with a withdrawal from, or the Insolvency or Reorganization of, a Multiemployer Plan or (vi) any other event or condition shall occur or exist with respect to a Plan; and in each case in clauses (i) through (vi) above, such event or condition, together with all other such events or conditions, if any, would subject the School to any tax, penalty or other liabilities in the aggregate, the result of which would have a Material Adverse Change;

(k) the School shall become liable at any time for remediation and/or environmental compliance expenses and/or fines, penalties or other charges in excess of \$1,000,000 that remains uninsured or unbonded for ten (10) days after a final non-appealable determination;

(l) the occurrence of a Material Adverse Change;

(m) any "Event of Default" (as defined in the Resolution and the Loan Agreement) shall have occurred or any failure or default shall have occurred under any of the Bond Financing Documents and shall have continued beyond the expiration of any applicable notice or cure period;

(n) an Event of Default under the other Letter of Credit Documents or Bond Financing Documents;

(o) any provision of the Reimbursement Agreement, the other Letter of Credit Documents or the Bond Financing Documents shall at any time for any reason cease to be valid and binding on the School or shall be declared to be null and void, or the validity or enforceability thereof shall be contested by the School, or a proceeding shall be commenced by any governmental agency or authority or other party having jurisdiction over the School seeking to establish the invalidity or unenforceability thereof and not otherwise discharged for forty-five (45) consecutive days, or the School shall deny that it has any or further liability or obligation under the Reimbursement Agreement;

(p) a Federal tax lien in excess of \$250,000 is filed against the School or the Premises and the same is not discharged of record within thirty (30) days after the same is filed unless such Federal tax lien is subject to a Good Faith Contest provided (i) the Bank is satisfied that such Federal tax lien does not have and will not cause a Material Adverse Change, and (ii) that if, at any time, payment of such Federal tax and related charges, interest or penalties, if any, shall become necessary to prevent the enforcement of a lien because of non-payment of any such sums, then the School shall pay or cause to be paid the sums in sufficient time to prevent the delivery of such tax deed;

(q) the School shall fail to pay the Bank within fifteen (15) Business Days of demand any and all taxes paid by the Bank pursuant to the Reimbursement Agreement or the Bond Financing Documents, together with any late payment charge and interest thereon calculated at the Default Rate;

(r) failure by the School to meet the Minimum Balance covenant and the Days Cash on Hand covenant on any date such covenant is tested as set forth in the Reimbursement Agreement;

(s) the Premises shall become subject (i) to any tax lien in excess of \$50,000, other than a lien for local real estate taxes and assessments not due and payable, or (ii) to any lis pendens, notice of pendency, stop order, notice of intention to file mechanic's or materialman's lien, mechanic's or materialman's lien or other lien of any nature whatsoever in violation of Section 6.01 of the Reimbursement Agreement, and the same shall not either be discharged of record by bonding or otherwise or in the alternative insured over to the satisfaction of the Bank by a title company acceptable to the Bank within a period of thirty (30) days after the School receives notice that the same has been filed or recorded, and irrespective of whether the same constitutes a perfected or inchoate lien or encumbrance on the Premises or is only a matter of record or notice, unless, such lien is subject to a Good Faith contest; provided (a) the Bank is satisfied that such lien does not have and will not cause a Material Adverse Change, and (b) that if, at any time, payment of a tax and related charges, interest or penalties, if any, shall become necessary to prevent the delivery of a tax deed conveying the Premises or any portion thereof because of non-payment of any such sums, then the School shall pay or cause to be paid the sums in sufficient time to prevent the delivery of such tax deed;

(t) an “Event of Default” (as defined in each 2008 Letter of Credit Reimbursement Agreement) shall have occurred under any of the 2008 Reimbursement Agreements;

(u) an event of default occurs beyond applicable notice or cure periods under any document or agreement executed by the School in connection with a credit facility made available by the Bank to or for the benefit of the School;

(v) a default occurs beyond applicable notice or cure periods under any ISDA Contract or other hedging agreement in connection with the Bonds;

(w) an event of default occurs beyond applicable notice or cure periods under the 2006 Hedge Agreement; or

(x) the School shall fail to observe, perform or comply, in whole or in part, with the Consultant covenant set forth in Section 5.27 of the Reimbursement Agreement.

During the continuation of an Event of Default, the Bank may:

(a) Declare the amounts outstanding under the Reimbursement Agreement, all interest thereon and all other amounts payable thereunder or in respect thereof to be forthwith due and payable, whereupon all amounts outstanding under the Reimbursement Agreement and all such interest shall become and be forthwith due and payable, without presentment, demand, protest, or further notice of any kind, all of which are hereby expressly waived by the School;

(b) Demand the immediate deposit of cash collateral in an amount equal to the full amount then available or which may subsequently become available under the Letter of Credit and the same shall thereupon become due and payable;

(c) Use and apply any moneys or letter of credit deposited by the School with the Bank, regardless of the purposes for which the same was deposited, to cure any such default or to apply on account of any indebtedness under the Reimbursement Agreement which is due and owing to the Bank;

(d) Notify the Trustee that an Event of Default has occurred and instruct the Trustee to call a mandatory tender of the Bonds; and/or

(e) Exercise or pursue any other remedy or cause of action permitted under the Reimbursement Agreement, any Letter of Credit Document or any Bond Financing Document or conferred upon the Bank by operation of Law.

(f) If an Event of Default beyond any applicable notice or cure period referred to in subsections (f), (g) or (h) above shall have occurred, all amounts outstanding under the Reimbursement Agreement with interest thereon and all other amounts payable thereunder, shall become immediately due and payable without notice, application or declaration by the Bank.

(g) The rights and remedies granted pursuant to the Reimbursement Agreement arising from an Event of Default shall be in addition to and not in lieu of any other rights or remedies which may be afforded to the Bank under the other Letter of Credit Documents and the Bond Financing Documents.

APPENDIX E

FORM OF APPROVING OPINION OF BOND COUNSEL

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Form of Approving Opinion of Bond Counsel

[Letterhead of Nixon Peabody LLP]

437 Madison Avenue
New York, New York 10022-7001
(212) 940-3000
Fax: (212) 940-3111

June 18, 2009

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

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of \$40,500,000 aggregate principal amount of New York Law School Revenue Bonds, Series 2009 (Letter of Credit Secured) (the "Series 2009 Bonds"), by the Dormitory Authority of the State of New York (the "Authority"), a body corporate and politic constituting a public benefit corporation of the State of New York, created and existing under and pursuant to the Constitution and statutes of the State of New York, including the Dormitory Authority Act, being Title 4 of Article 8 of the Public Authorities Law of the State of New York, as amended to the date hereof, including, without limitation, by the Healthcare Financing Consolidation Act, being Title 4-B of the Public Authorities Law of the State of New York, as amended to the date hereof (the "Act"). We have also examined such certificates, documents, records and matters of law as we have deemed necessary for the purpose of rendering the opinions hereinafter set forth.

The Series 2009A Bonds are issued under and pursuant to the Act, the New York Law School Revenue Bond Resolution of the Authority, adopted April 29, 2009 (the "Resolution"), the Series Resolution Authorizing Up To \$45,000,000 New York Law School Revenue Bonds, Series 2009, adopted April 29, 2009 (the "Series 2009 Resolution") and the Bond Series Certificate, dated as of June 17, 2009, executed by the Authority in connection with the Series 2009 Bonds (the "Bond Series Certificate"). The Resolution, the Series Resolution and the Bond Series Certificate are herein collectively called the "Resolutions." Unless otherwise defined herein, capitalized terms used herein have the respective meanings given to them in the Resolutions.

The Series 2009 Bonds are part of an issue of bonds of the Authority (the "Bonds") which the Authority has established and created under the terms of the Resolution and is authorized to issue from time to time for the purposes authorized by the Act and the Resolution, as then in effect, and without limitation as to amount, except as provided in the Resolutions or as may be limited by law. The Series 2009 Bonds are being issued for the purposes set forth in the Resolutions.

The Authority is authorized to issue Bonds, in addition to the Series 2009 Bonds, only upon the terms and conditions set forth in the Resolution and such Bonds, when issued, will with the Series 2009 Bonds be entitled to the equal benefit, protection and security of the provisions, covenants and agreements of the Resolution.

The Series 2009 Bonds are dated the date hereof and mature on July 1, 2038. The Series 2009 Bonds will be issued in the aggregate principal amount of \$40,500,000. The Series 2009 Bonds will be issued initially as Variable Interest Rate Bonds in the Weekly Rate Mode. The Series 2009 Bonds will remain in the Weekly Mode unless and until converted to bear interest in a different Rate Mode. The Series 2009 Bonds are issuable in the form of fully registered Bonds in denominations of \$100,000 or any integral multiple of 5,000 in excess thereof. The Series 2009 Bonds are each numbered consecutively from one upward in order of issuance.

The Series 2009 Bonds are subject to redemption and optional purchase prior to maturity as provided in the Resolutions.

The Series 2009 Bonds are being issued to finance a loan by the Authority to New York Law School (the "Law School"). The Authority and the Law School have entered into a Loan Agreement, dated as of June 18, 2009 (the "Loan Agreement"), by which the Law School is required to make payments sufficient to pay, when due, the principal and Redemption Price of and interest on the Outstanding Series 2009 Bonds, as well as a part of the Authority's annual administrative expenditures and costs. All amounts payable under the Series 2009 Loan Agreement which are required to be paid to the Trustee under the Resolution and the Series 2009 Resolution for payment of the principal of Redemption Price of or interest on the Series 2009 Bonds have been pledged by the Authority for the benefit of the Holders of Outstanding Series 2009 Bonds.

We are of the opinion that:

1. The Authority is a body corporate and politic constituting a public benefit corporation of the State of New York, with the right and lawful authority and power to adopt the Resolutions and to issue the Bonds thereunder, including the Series 2009 Bonds.
2. The Series Resolutions have each been duly adopted in accordance with the provisions of the Resolution and are authorized and permitted by the Resolution. The Resolutions have each been duly and lawfully adopted by the Authority, are in full force and effect and are legal, valid and binding obligations of the Authority enforceable in accordance with their respective terms.
3. The Series 2009 Bonds have been duly and validly authorized and issued in accordance with the Constitution and statutes of the State of New York, including the Act, and in accordance with the Resolutions. The Series 2009 Bonds are legal, valid and binding special obligations of the Authority payable as provided in the Resolutions, are enforceable in accordance with their terms and the terms of the Resolutions and are entitled, together with all other Bonds issued under the Resolutions, to the equal benefits of the Resolutions and the Act.
4. The Authority has the right and lawful authority and power to enter into the Loan Agreements and the Loan Agreements have each been duly authorized, executed and delivered by the Authority and each constitutes a legal, valid and binding obligation of the Authority enforceable in accordance with its terms.

5. The Internal Revenue Code of 1986 (the "Code") sets forth certain requirements that must be met subsequent to the issuance and delivery of the Series 2009 Bonds for interest thereon to be and remain excluded from gross income for Federal income tax purposes. Noncompliance with such requirements could cause the interest on the Series 2009 Bonds to be included in gross income for Federal income tax purposes retroactive to the date of issue of the Series 2009 Bonds. Pursuant to the Series Resolutions, the Loan Agreements and the Tax Certificate as to Arbitrage and the Provisions of Sections 141-150 of the Internal Revenue Code (the "Tax Certificate"), the Authority and the Law School have covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Series 2009 Bonds from gross income for Federal income tax purposes pursuant to Section 103 of the Code. In addition, the Authority and the Law School have made certain representations and certifications in the Series Resolutions, the Loan Agreements and the Tax Certificate. We have not independently verified the accuracy of those certifications and representations.

Under existing law, assuming compliance with certain covenants described herein, and the accuracy of the aforementioned representations and certifications, interest on the Series 2009 Bonds is excluded from gross income for Federal income tax purposes under Section 103 of the Code. We are also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code with respect to individuals and corporations. Interest on the Series 2009 Bonds is excluded from the adjusted current earnings of corporations for purposes of computing the alternative minimum tax imposed on corporations.

6. Interest on the Series 2009 Bonds is exempt, by virtue of the Act, from personal income taxes of the State of New York and its political subdivisions, including The City of New York and the City of Yonkers.

The opinions contained in paragraphs 2, 3 and 4 above are qualified to the extent that the enforceability of the Resolutions, the Series 2009 Bonds and the Loan Agreements may be limited by bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally or as to the availability of any particular remedy.

Except as stated in paragraphs 5 and 6 above, we express no opinion as to any other federal or state tax consequences of the ownership or disposition of the Series 2009 Bonds. Furthermore, we express no opinion as to any federal, state or local tax law consequences with respect to the Series 2009 Bonds, or the interest thereon, if any action is taken with respect to Series 2009 Bonds or the proceeds thereof upon the advice or approval of other counsel.

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

Very truly yours,

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