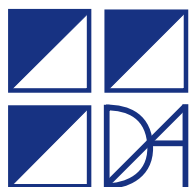


REOFFERING CIRCULAR

REOFFERING – NOT A NEW
ISSUE – BOOK-ENTRY ONLY



DAC Bond

\$67,760,000
DORMITORY AUTHORITY
OF THE STATE OF NEW YORK
ST. JOHN'S UNIVERSITY
REVENUE BONDS (LETTER OF CREDIT SECURED),
SERIES 2008B-2

Dated: September 24, 2008
Reoffered: October 18, 2012

Due: As shown below

This Reoffering Circular of the Dormitory Authority of the State of New York (the "Authority") relates to the remarketing and reoffering of the Authority's St. John's University Revenue Bonds (Letter of Credit Secured), Series 2008B-2 (the "Series 2008B-2 Bonds").

Authorization of Issuance of the Series 2008B-2 Bonds: The Series 2008B-2 Bonds were issued by the Authority on September 24, 2008, pursuant to the Authority's St. John's University Revenue Bond Resolution (Letter of Credit Secured), adopted by the Authority on March 26, 2008 (the "Resolution"), the Authority's Series 2008B Resolution, adopted on March 26, 2008 (the "Series Resolution"), authorizing the issuance of the Series 2008B-2 Bonds, and the Bond Series Certificate, dated as of September 23, 2008, executed by the Authority pursuant to the Series Resolution in connection with the issuance of the Series 2008B-2 Bonds (the "Bond Series Certificate"). The Resolution, the Series Resolution and the Bond Series Certificate are hereinafter referred to collectively as the "Resolutions."

Payment and Security: The Series 2008B-2 Bonds are special obligations of the Authority, payable solely from and secured by: (i) a pledge of (a) certain payments to be made under the Loan Agreement, dated as of March 26, 2008, by and between St. John's University, New York (the "University") and the Authority (the "Loan Agreement"), (b) all funds and accounts established by the Resolution (other than the Arbitrage Rebate Fund and the Bank Repayment Fund), and the accounts established by the Bond Series Certificate for payment of the Purchase Price of Series 2008B-2 Bonds tendered for purchase at the option of the Holders thereof or mandatorily in accordance with the Bond Series Certificate; and (ii) an irrevocable direct-pay letter of credit issued by Bank of America, N.A. (the "Existing Letter of Credit").

The principal of and interest on the Series 2008B-2 Bonds will be paid from draws upon the Existing Letter of Credit or any substitute letter of credit. The Purchase Price of Series 2008B-2 Bonds tendered for purchase will be paid, first, from the proceeds of their remarketing to new investors (the "Remarketing Proceeds"), second, to the extent that the Remarketing Proceeds are insufficient to pay the Purchase Price of tendered Series 2008B-2 Bonds, from draws on the Existing Letter of Credit or a substitute letter of credit, and, then from money paid by the University pursuant to the Loan Agreement to pay the Purchase Price of the tendered Series 2008B-2 Bonds.

Substitute Letter of Credit and Mandatory Tender: The University intends to deliver a substitute letter of credit for the Existing Letter of Credit (the "Substitute Letter of Credit"). The Substitute Letter of Credit is expected to be delivered and be effective on October 18, 2012 (the "Tender Date"). The Substitute Letter of Credit will be issued by U.S. Bank National Association (the "Substitute LOC Bank" or "US Bank"). The Series 2008B-2 Bonds are subject to mandatory tender by their Holders on the Tender Date.



The Loan Agreement: The Loan Agreement is a general obligation of the University and requires the University to pay, in addition to the fees and expenses of the Authority and the Trustee, amounts sufficient to pay, when due, the principal, Redemption Price and Purchase Price of and interest on the Series 2008B-2 Bonds. The University's obligations under the Loan Agreement are secured by a pledge of and security interest in tuition and fees charged for academic instruction and a mortgage on certain real property of the University and the personal property therein. Amounts paid by the University pursuant to the Loan Agreement on account of the principal, Sinking Funds Installments and Purchase Price of and interest on the Series 2008B-2 Bonds will be applied either to reimburse the Existing Bank or the Substitute LOC Bank for money advanced by it for such payments, or, if the Remarketing Proceeds are insufficient therefor, and the Existing Letter of Credit Bank or the Substitute Letter of Credit Bank fails to provide money for such payments, to make payment to the Holders of the Series 2008B-2 Bonds entitled to such payments.

The Series 2008B-2 Bonds are not a debt of the State of New York nor is the State liable on them. The Authority has no taxing power.

Prospective investors should read this Reoffering Circular and the accompanying Appendices in their entirety before making an investment decision.

Description: The Series 2008B-2 Bonds have been issued as fully registered bonds in denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof. The Series 2008B-2 Bonds currently bear interest at Weekly Rates established for each Weekly Rate Period. Each Weekly Rate is determined on the Business Day immediately preceding the first day of each Weekly Rate Period, payable in arrears, on the first Business Day of each calendar month, for as long as the Series 2008B-2 Bonds bear interest at a Weekly Rate.

The Series 2008B-2 Bonds may be converted to a different Rate Mode at the times and in the manner set forth herein. Unless expressly stated otherwise, the descriptions herein of the Series 2008B-2 Bonds and the related documents generally relate only to the terms and provisions which are applicable while the Series 2008B-2 Bonds bear interest at a Weekly Rate.

The Series 2008B-2 Bonds have been delivered pursuant to 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 2008B-2 Bonds will be made in book-entry form (without certificates). So long as DTC or its nominee is the registered owner of the Series 2008B-2 Bonds, payments of the principal and Redemption Price of and interest on such Series 2008B-2 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 2008B-2 BONDS - Book-Entry Only System" herein.

The Trustee and Tender Agent for the Series 2008B-2 Bonds is The Bank of New York Mellon, New York, New York.

Redemption or Purchase: The Series 2008B-2 Bonds are subject to mandatory and optional tender for purchase, redemption and purchase in lieu of optional redemption as more fully described herein.

Tax Exemption: On the date of original issuance and delivery of the Series 2008B-2 Bonds, Nixon Peabody LLP, Bond Counsel to the Authority, delivered its original approving opinion that under existing law and assuming compliance with certain tax covenants described herein, and the accuracy of certain representations and certifications made by the Authority and the University described herein, interest on the Series of 2008 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") and that under existing statutes, interest on the Series 2008B-2 Bonds is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof. In that opinion, Bond Counsel also opined that interest on each of the Series 2008B-2 Bonds is not treated as a preference item in calculating the federal alternative minimum tax imposed under the Code with respect to individuals and corporation, but indicated that such interest is included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax imposed on such corporations. See "PART 11 - TAX MATTERS" herein regarding certain other tax considerations. The original approving opinion of Bond Counsel has not been updated or reissued in connection with the remarketing of the Series 2008B-2 Bonds.

\$67,760,000
St. John's University Revenue
Bonds (Letter of Credit Secured),
Series 2008B-2 due July 1, 2037,
CUSIP* No. 6499033S8

Certain legal matters will be passed upon for the Authority by Nixon Peabody LLP, Bond Counsel. Certain legal matters will be passed upon for the University by its special counsel, Demott Law Offices, P.C., Great Neck, New York. Certain legal matters will be passed upon for the Remarketing Agent by its counsel, Winston & Strawn LLP, New York, New York. The Authority expects to deliver the remarketed Series 2008B-2 Bonds through the facilities of DTC in New York, New York, on or about October 18, 2012.

US Bancorp

October 11, 2012

* CUSIP data herein are provided by Standard & Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. The CUSIP number listed above is being provided solely for the convenience of owners of the Series 2008B-2 Bonds only at the time of issuance of the Series 2008B-2 Bonds and the Authority does not make any representation with respect to such number or undertake any responsibility for its accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2008B-2 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity.

No dealer, broker, salesperson or other person has been authorized by the Authority, the University or the Remarketing Agent to give any information or to make any representations with respect to the Series 2008B-2 Bonds, other than the information and representations contained in this Reoffering Circular. If given or made, any such information or representations must not be relied upon as having been authorized by the Authority, the University or the Remarketing Agent.

This Reoffering Circular does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be a sale of the Series 2008B-2 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

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

The University reviewed the parts of this Reoffering Circular describing the University, Principal and Interest Requirements and Appendix B. It is a condition to the sale and the delivery of the Series 2008B-2 Bonds that the University certify that, as of each such date, such parts do not contain any untrue statements of a material fact and do not omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which the statements are made, not misleading. The University makes no representations as to the accuracy or completeness of any other information included in this Reoffering Circular.

The Substitute LOC Bank has reviewed the parts of this Reoffering Circular describing it, its Substitute Letter of Credit and the Reimbursement Agreement. The Substitute LOC Bank will certify as of the Tender Date of the Series 2008B-2 Bonds that the information contained herein describing it, the Substitute Letter of Credit and the Reimbursement Agreement is true and correct in all material respects; provided, however, that the financial information relating to the Substitute LOC Bank fairly represents the financial condition of the Substitute LOC Bank only as of the dates and for the periods indicated and, to the best knowledge of the Substitute LOC Bank, there has been no material adverse change in the financial condition, taken as a whole, of the Substitute LOC Bank since such dates. The Substitute LOC Bank makes no representations as to the accuracy or completeness of any other information included in this Reoffering Circular.

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

References in this Reoffering Circular to the Act, the Resolution, the Series Resolution, the Bond Series Certificate, the Amended and Restated Intercreditor Agreement, the 2008 Mortgage, the Substitute Letter of Credit, the Reimbursement Agreement and the Loan Agreement do not purport to be complete. Refer to the Act, the Resolution, the Series Resolution, the Bond Series Certificate, the Loan Agreement, the Amended and Restated Intercreditor Agreement, the 2008 Mortgage, the Substitute Letter of Credit and the Reimbursement Agreement for full and complete details of their provisions. Copies of the Act, the Resolution, the Series Resolutions, the Bond Series Certificate, the Loan Agreement, the Amended and Restated Intercreditor Agreement, the 2008 Mortgage, the Substitute Letter of Credit and the Reimbursement Agreement are on file with the Authority and the Trustee.

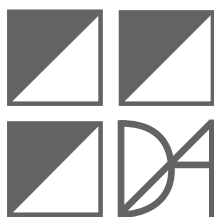
The order and placement of material in this Reoffering Circular, including its appendices, are not to be deemed a determination of relevance, materiality or importance, and all material in this Reoffering Circular, including its appendices, must be considered in its entirety.

Under no circumstances will the delivery of this Reoffering Circular or any sale made after its delivery create any implication that the affairs of the Authority, the University or the Substitute LOC Bank have remained unchanged after the date of this Reoffering Circular.

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DORMITORY AUTHORITY - STATE OF NEW YORK
PAUL T. WILLIAMS, JR. – PRESIDENT

515 BROADWAY, ALBANY, N.Y. 12207
ALFONSO L. CARNEY, JR. - CHAIR

REOFFERING CIRCULAR RELATING TO

\$67,760,000 DORMITORY AUTHORITY OF THE STATE OF NEW YORK ST. JOHN'S UNIVERSITY REVENUE BONDS (LETTER OF CREDIT SECURED), SERIES 2008B-2

PART 1 - INTRODUCTION

Purpose of the Reoffering Circular

The purpose of this Reoffering Circular, including the cover page and appendices, is to provide information about the Authority, the University and the Substitute LOC Bank in connection with the proposed reoffering by the Authority of \$67,760,000 principal amount of its St. John's University Revenue Bonds (Letter of Credit Secured), Sub-Series 2008B-2 (the "Series 2008B-2 Bonds"). The Series 2008B-2 Bonds were issued together with the \$67,780,000 original principal amount of the Authority's St. John's University Revenue Bonds (Letter of Credit Secured), Sub-Series 2008B-1 Bonds (the "Series 2008B-1 Bonds," and, together with the Series 2008B-2 Bonds, the "Series 2008B Bonds").

The following is a brief description of certain information concerning the Series 2008B-2 Bonds, the Authority, the University, the Substitute LOC Bank and the Substitute Letter of Credit. A more complete description of such information and additional information that may affect decisions to invest in the Series 2008B-2 Bonds is contained throughout this Reoffering Circular, which should be read in its entirety. Certain terms used in this Reoffering Circular are defined in Appendix A hereto.

Authorization of Original Issuance

The Series 2008B-2 Bonds were originally issued pursuant to the Act and the Resolutions. The Series 2008B Bonds, including the Series 2008B-1 Bonds, were issued to provide for the payment of bonds previously issued by the Authority to finance loans to the University and to pay the Costs of Issuance of the Series 2008B Bonds.

In addition to the Series 2008B-2 Bonds, the Resolution authorizes the issuance of other Series of Bonds (collectively, the "Bonds") to pay other Costs of one or more Projects, to make deposits to any required debt service reserve fund, to pay the Costs of Issuance of such Series of Bonds and to refund all or a portion of Outstanding Bonds or other notes or bonds issued on behalf of the University. The Bonds permitted to be issued under the Resolution include fixed rate Bonds, Capital Appreciation Bonds, Deferred Income Bonds, Option Bonds and Variable Interest Rate Bonds. All Bonds issued under the Resolution will rank on a parity with each other and will be secured equally and ratably with each other with respect to the Pledged Revenues. There is no limit on the amount of additional Bonds that may be issued under the Resolution. The Series 2008B-1 Bonds remain outstanding and are secured by a letter of credit issued by Bank of America N.A. (the "2008B-1 Bank" and, together

with the Substitute LOC Bank, the “Banks”). No additional Bonds have been issued under the Resolution. See “PART 5 - THE UNIVERSITY - Outstanding Indebtedness” for a description of other indebtedness issued on behalf of the University by the Authority other than pursuant to the Resolution.

The Authority

The Authority is a public benefit corporation of the State of New York (the “State”), created for the purpose of financing and constructing a variety of public-purpose facilities for certain educational, governmental and not-for-profit corporations. See “PART 8 - THE AUTHORITY.”

The University

The University is an independent, coeducational, not-for-profit institution of higher education chartered by the Board of Regents of the State. The University has campuses in Queens, Manhattan, Staten Island and Oakdale, New York and in Rome, Italy. See “PART 5 - THE UNIVERSITY” and “Appendix B - Consolidated Financial Statements of St. John’s University and Independent Auditors’ Report.”

The Series 2008B-2 Bonds

The Series 2008B-2 Bonds are dated their date of original delivery and currently and will continue to bear interest at the Weekly Rate for Weekly Rate Periods until converted to another Rate Period. The Weekly Rate is determined on the Business Day preceding the beginning of each Weekly Rate Period. Interest is paid on the first Business Day of each month. The Authority may convert all or a portion of the Series 2008B-2 Bonds to bear interest at another Rate Mode. See “PART 3 - THE SERIES 2008B-2 BONDS - Description of the Series 2008B-2 Bonds.”

The Series 2008B-2 Bonds are subject to tender for purchase at the option of the Holders on any Business Day and mandatorily upon conversion to another Rate Period (other than the Daily Rate Mode) and under certain other circumstances described herein. The Purchase Price for the tendered Series 2008B-2 Bonds is equal to the principal amount of the Series 2008B-2 Bonds to be purchased, plus, except as described herein, accrued interest, if any, to the date of purchase. For a more complete description of the Series 2008B-2 Bonds, the determination of interest rates, conversion from a Weekly Rate Period to another Rate Period and optional and mandatory tenders, see “PART 3 - THE SERIES 2008B-2 BONDS - Description of the Series 2008B-2 Bonds.”

“US Bancorp” is the marketing name of U.S. Bancorp and its subsidiaries including: U.S. Bank Municipal Securities Group, a division of U.S. Bank National Association (“MSG”) and U.S. Bancorp Investments, Inc., which, along with MSG, is serving as Remarketing Agent for the 2008B-2 Bonds and U.S. Bank National Association, which is providing the 2008B-2 Letter of Credit.

Payment of the Series 2008B-2 Bonds

The Series 2008B-2 Bonds are special obligations of the Authority and the principal, Redemption Price and Purchase Price of and interest on them is currently payable solely from draws on the Existing Letter of Credit and other Available Money held in certain funds or accounts established by the Resolutions and, if such amounts are insufficient, from money paid by the University on or before 2:30 p.m. on the due date under the Loan Agreement, whether or not such money is Available Money. The Loan Agreement is a general obligation of the University.

The Series 2008B-2 Bonds are currently payable from amounts derived from draws under the Existing Letter of Credit issued by Bank of America for the benefit of the Trustee. The Existing Letter of Credit will be drawn upon to pay the Purchase Price of the Series 2008B-2 Bonds upon their mandatory tender on the Tender Date, but only to the extent that the Remarketing Proceeds are insufficient to pay the Purchase Price, and, except as otherwise described herein, from other Available Moneys. On or after the Tender Date (unless replaced by substitute letter of credit or the Series 2008B-2 Bonds are converted to another Rate Period (other than the Daily Rate Mode)) the principal, Redemption Price and Purchase Price of and interest on the Series 2008B-2 Bonds will be payable from and secured

by the Substitute Letter of Credit to be issued by the Substitute LOC Bank. See “PART 2 - SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2008B-2 BONDS - Payment of the Series 2008B-2 Bonds.”

The Series 2008B-2 Bonds will not be a debt of the State nor will the State be liable on them. The Authority has no taxing power. Neither the State nor the Authority has any responsibility to make payments with respect to the Series 2008B-2 Bonds except for the Authority’s responsibility to make payments from money received from the University pursuant to the Loan Agreement and from amounts held in the funds and accounts established by the Resolutions and pledged to the payment of or to secure payment of the Series 2008B-2 Bonds.

Security for the Series 2008B-2 Bonds

The Series 2008B-2 Bonds are secured equally and ratably with all other Bonds issued under the Resolution by the pledge and assignment to the Trustee of the Revenues, the security interest in the University’s tuition and fees charged to its students for academic instruction (the “Pledged Revenues”) granted by the University to the Authority under the Loan Agreement and by a mortgage (the “2008 Mortgage”) on certain property described therein (the “Mortgaged Property”) made by the University to the Authority to secure its obligation under the Loan Agreement.

The Pledged Revenues and the Mortgaged Property are subject to liens securing loans to the University made by the Authority, some of which were made prior to the loan made pursuant to the Loan Agreement and others of which were made in August, 2012 (collectively, the “Other Secured Loans,” and, together with the loan made from the Series 2008 Bonds, the “Secured Loans”). The Secured Loans were made from the proceeds of the bonds of the Authority described herein under the heading “PART 5 – THE UNIVERSITY – Outstanding Indebtedness” that are identified therein as being outstanding (the “Secured Loan Bonds”). Simultaneously with the issuance of the Series 2008B-2 Bonds, the Authority, the Trustee for the Series 2008A, Series 2008B-1 and Series 2008B-2 Bonds, and the creditors and contingent creditors of the University who are secured by mortgages on the Mortgaged Property and security interests in the Pledged Revenues relating to the Other Secured Loans have entered into an Intercreditor Agreement, which was subsequently amended and restated in connection with the Other Secured Loans made in August, 2012 (the “Amended and Restated Intercreditor Agreement”). Pursuant to the Amended and Restated Intercreditor Agreement the parties to it have agreed that the liens on the Mortgage Property and the Pledged Revenues securing the Secured Loans will be on a parity with each other and that, upon any foreclosure or other realization upon such liens, each of them will be entitled to a *pro rata* share of the proceeds of the foreclosure or other realization. In connection with delivery of the Substitute Letter of Credit, the Amended and Restated Intercreditor Agreement will be further amended and restated to add the Substitute LOC Bank as a party to it. See “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2008B-2 BONDS - Security for the Series 2012B Bonds.”

The Series 2008B-2 Bonds are also secured by all funds and accounts established under the Resolution (with the exception of the Arbitrage Rebate Fund), including by the fund or account established in connection with such Series 2008B-2 Bonds for the payment of the Purchase Price of Series 2008B-2 Bonds tendered for purchase mandatorily or at the option of the Holders of the Series 2008B-2 Bonds, as more particularly described herein. See “PART 2 - SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2008B-2 BONDS - Security for the Series 2008B-2 Bonds.”

The Substitute Letter of Credit

Pursuant to a Letter of Credit Reimbursement Agreement between U.S. Bank and the University (the “Reimbursement Agreement”), the Substitute LOC Bank will issue for the account of the University and for the benefit of the Trustee, the Substitute Letter of Credit, pursuant to which the Substitute LOC Bank is obligated, subject to the terms and conditions of the Substitute Letter of Credit, to honor drawings by the Trustee thereunder to pay the principal and interest (up to 34 days interest), but not any applicable redemption premium, on the Series 2008B-2 Bonds, and to pay the Purchase Price of any Series 2008B-2 Bonds tendered for purchase in the event remarketing proceeds are insufficient.

See “PART 2 - SOURCE OF PAYMENT OF AND SECURITY FOR THE SERIES 2008B-2 BONDS - Payment of the Series 2008B-2 Bonds - *The Letter of Credit.*”

Subsequent to the Tender Date, the Authority may issue additional bonds to be secured equally and ratably with the Series 2008B-2 Bonds, which issuance will be subject to the Intercreditor Agreement.

The purchase of the Series 2008B-2 Bonds involves a degree of risk. Prospective purchasers should carefully consider the material under the caption “PART 3 - THE SERIES 2008B-2 BONDS - Special Considerations Relating to the Series 2008B-2 Bonds” herein.

The Series 2008B-2 Bonds will be remarketed by the Remarketing Agent, pursuant to a Remarketing Agreement by and among the Authority, the University and US Bancorp (the “Remarketing Agreement”). See “PART 3 - THE SERIES 2008B-2 BONDS - Description of the Series 2008B-2 Bonds - Remarketing Agent” and “ - Remarketing and Purchase” herein.

PART 2 - SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2008B-2 BONDS

Set forth below is a narrative description of certain contractual provisions relating to the source of payment of and security for the Series 2008B-2 Bonds. These provisions have been summarized and this description does not purport to be complete. Reference should be made to the Act, the Loan Agreement, the Resolution, the Series Resolution, the Bond Series Certificate, the Substitute Letter of Credit, the Amended and Restated Intercreditor Agreement and the Reimbursement Agreement. Copies of the Act, the Loan Agreement, the Resolution, the Series Resolution, the Bond Series Certificate, the Substitute Letter of Credit, the Amended and Restated Intercreditor Agreement and the Reimbursement Agreement are on file with the Authority and the Trustee. See also “Appendix C - Summary of Certain Provisions of the Loan Agreement” and “Appendix D - Summary of Certain Provisions of the Resolution” for a more complete statement of the rights, duties and obligations of the parties thereto.

Payment of the Series 2008B-2 Bonds

General

The Series 2008B-2 Bonds are special obligations of the Authority. The principal, Redemption Price and Purchase Price of and interest on the Series 2008B-2 Bonds are payable solely from money drawn under the Letter of Credit, other Available Money and, if such amounts are insufficient, money paid by the University, which is to be paid on or before 2:30 p.m., New York City time, on the dates such payments are due, whether or not such money is Available Money. The University, to assure timely payment of the amounts required for payment of the principal, Redemption Price and Purchase Price of and interest on the Series 2008B-2 Bonds, has caused the Substitute LOC Bank to issue its irrevocable, direct-pay Letter of Credit for the account of the University and for the benefit of the Trustee.

The Series 2008B-2 Bonds will not be a debt of the State nor will the State be liable on them. The Authority has no taxing power. Neither the State nor the Authority has any responsibility to make payments with respect to the Series 2008B-2 Bonds except for the Authority’s responsibility to make payments from money received from the University pursuant to the Loan Agreement, from money realized upon a foreclosure of or other realization on the 2008B-2 Mortgage or any security interest in the personal property securing the Loan Agreement, and from amounts held in the funds and accounts established by the Series Resolution and pledged therefor.

In addition to the Letter of Credit, payment of the principal, Redemption Price and Purchase Price of and interest on the Series 2008B-2 Bonds and performance by the Authority of its obligations under the Resolution are secured by the pledge and assignment made by the Resolution of the Revenues, the Authority’s security interest in the Pledged Revenues, the 2008 Mortgage, the funds and accounts established by the Resolution and with respect to the Purchase Price of particular Series 2008B-2 Bonds, the Purchase and Remarketing Fund established for such Series 2008B-2 Bonds, but excluding the Arbitrage Rebate Fund or any other fund or account established for payments of the purchase price of other Option Bonds tendered for purchase.

The Substitute Letter of Credit

The Substitute Letter of Credit obligates U.S. Bank to pay, by a specified time after presentation to the U.S. Bank by the Trustee of drawing certificates in accordance with the terms thereof, an aggregate amount not exceeding \$67,760,000 for the payment of the principal and Redemption Price of the Series 2008B-2 Bonds, but not any applicable redemption premium, and an aggregate amount of interest not exceeding \$757,427 (up to 34 days of interest on the Series 2008B-2 Bonds). The Trustee is also to draw upon the Substitute Letter of Credit to pay the Purchase Price of Series 2008B-2 Bonds tendered for payment in the event remarketing proceeds are insufficient. The Trustee may and is required to draw under the Substitute Letter of Credit not later than 2:00 p.m., New York City time, on the Business Day prior to the day on which the principal, or Redemption Price of or interest on the Series 2008B-2 Bonds is due, the amount required for payment thereof. Draws on the Substitute Letter of Credit for payment of the Purchase Price of the Series 2008B-2 Bonds tendered for purchase in the event remarketing proceeds are insufficient are to be made no later than 11:30 a.m., New York City time, on the day the Purchase Price is due.

Unless extended, the Substitute Letter of Credit will expire three years from the date of its issuance. U.S. Bank, in its sole and absolute discretion, will determine whether to extend or not extend the Substitute Letter of Credit, upon the written request of the University no less than six months prior to the expiration date. If the Substitute Letter of Credit is not extended at least 30 days prior to its expiration date, the Series 2008B-2 Bonds are to be mandatorily tendered on any Business Day which is not less than three Business Days prior to the expiration date of the Substitute Letter of Credit. See “PART 3 - THE SERIES 2008B-2 BONDS - Description of the Series 2008B-2 Bonds - *Mandatory Tender*” herein.

The principal and interest components of the Substitute Letter of Credit are subject to reduction and are subject to reinstatement in accordance with the terms of the Substitute Letter of Credit to reflect drawings made. Any reduction in the interest component of the Substitute Letter of Credit resulting from a draw with respect to interest on the Series 2008B-2 Bonds, less the amount of such reduction attributable to payment upon redemption or maturity of the related Series 2008B-2 Bonds, will be reinstated automatically at the close of business on the same calendar day on which such draw is made. No portion of the Substitute Letter of Credit will be reinstated if the University is in default under the Reimbursement Agreement.

The U.S. Bank Reimbursement Agreement

The University and U.S. Bank will enter into the Reimbursement Agreement whereby the University makes certain representations and agrees, among other things, to reimburse U.S. Bank, with interest, for amounts drawn under the Substitute Letter of Credit, to pay certain fees and expenses to U.S. Bank, and to observe and perform certain covenants. If any of such representations are untrue or if the University fails to comply with any of its obligations under the Reimbursement Agreement, an event of default under the Reimbursement Agreement may occur.

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

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

- (a) Subject to Section 2.02, failure by the University to reimburse or pay U.S. Bank for any Drawing under the Letter of Credit on the date when due; or to pay any other amount payable pursuant to the Reimbursement Agreement, any Financing Document, any other agreement, undertaking or instrument benefiting the U.S. Bank or under any Bond Document on the date when due; or
- (b) Failure by the University to observe or perform any of the covenants forth in Section 6.01, 6.18, 6.24, 6.25 or 6.30-6.40; or
- (c) Failure by the University to observe or perform any other term, condition, covenant or agreement set forth herein or the Bank Documents to be observed or performed by the University (and not

constituting an Event of Default under any of the preceding or following provisions of Article VII of the Reimbursement Agreement) and such failure continues for a period of thirty (30) or more days ; provided, however, if such failure cannot be corrected within such thirty (30) day period, U.S. Bank will not unreasonably withhold its consent to an extension of such time if corrective action is instituted within such thirty (30) days and is diligently pursued until such failure is corrected, but in any event not more than an additional thirty (30) days; or

(d) Any representation, warranty or statement made or deemed made by or on behalf of the University herein or in any Financing Documents or which is contained in any schedule, certificate, document or financial or other statement furnished by University with the respect to the University to U.S. Bank at any time under or in connection with the Reimbursement Agreement, any Financing Document proves to have been materially misleading or incorrect in any material respect when made or deemed made; or

(e) Any material provision in any Financing Document at any time for any reason ceases to be valid and binding on the University, or is declared to be null and void, or is violative of any applicable law relating to a maximum amount of interest permitted to be contracted for, charged or received, or the validity or enforceability thereof is contested by the University, or the University denies that it has any or further liability or obligation under the Reimbursement Agreement;

(f) The occurrence and continuation of an Event of Default as defined in any of the Financing Documents including, without limitation, any such Event of Default with respect to the Bonds; or

(g) The University makes an assignment for the benefit of creditors, enters into a composition agreement with creditors, files a petition Bankruptcy, is unable generally to pay its debts as they come due, is insolvent or bankrupt or its debts are greater than its property net of any property which was transferred, concealed or removed with the intent to hinder, delay or defraud its creditors or there is entered any order or decree granting relief in any involuntary case commenced against the University under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or if the University petitions or applies to any tribunal or governmental entity for any receiver, trustee, liquidator, assignee, custodian or sequestrator (or other similar official) of the University or of any substantial part of the University's assets, or the University has transferred, concealed or removed any of its property with intent to hinder, delay or defraud its creditors generally or US Bank, or has received less than a reasonably equivalent value in a transfer of all or a substantial or material portion of its property, or commences any case or proceeding in a court of law for a reorganization, readjustment of debt, dissolution, liquidation or other similar procedure under the law or statutes of any jurisdiction, whether now or hereafter in effect, or if there is commenced against the University any such case or proceeding in a court of law which remains undismissed or is not discharged or vacated, or such jurisdiction is not relinquished, within 60 days after commencement, or the University by any act indicates its consent to, approval of, or acquiescence in any such case or proceeding in a court of law, or to an order for relief in an involuntary case commenced against the University under any such law, or to the appointment of any receiver, trustee, liquidator, assignee, custodian, sequestrator (or other similar official) for the University, or a substantial part of the University's assets, or if the University takes any action for the purposes of effecting the foregoing; or

(h) A final judgment for an amount not otherwise covered by insurance, in excess of \$10,000,000.00 in the aggregate (which US Bank determines to not be covered by insurance or as to which the insurer has given notice of a denial of coverage) is rendered against the University and, within 45 days after entry thereof, such judgment has not been discharged or execution thereof stayed pending appeal or if, within 45 days after the expiration of any such stay, such judgment has not been discharged; or

(i) Default in the payment by the University, when due, of any Liabilities in an amount in excess of \$5,000,000, in the aggregate, or failure to perform other obligations with respect to an amount in excess of \$5,000,000, in the aggregate, that would permit, in either case, the holder of any Liabilities to accelerate the maturity of such Liabilities; or

(j) Any of the following events occurs or exists with respect to either the University or any ERISA Affiliate: (i) any Prohibited Transaction involving any Plan; (ii) any Reportable Event with respect to any Plan; (iii) the filing under Section 4041 of ERISA of a notice of intent to terminate any Plan or the termination of any Plan; (iv) any event or circumstance that might constitute grounds entitling the PBGC to institute proceedings

under Section 4042 of ERISA for the termination of, or for the appointment of a trustee to administer, any Plan, or the institution by the PBGC of any such proceedings; (v) complete or partial withdrawal under Section 4201 or 4202 of ERISA from a Multi-employer Plan or the reorganization, insolvency, or termination of any Multi-employer Plan; and in each case above, such event or condition, together with all other events or conditions, if any, could in the opinion of the U.S. Bank subject the University to any tax, penalty, or other liability to a Plan, a Multi-employer Plan, the PBGC or otherwise (or any combination thereof) which in the aggregate would have a Material Adverse Effect; or

(k) Any event occurs and is continuing which has a Material Adverse Effect; or

(l) Any Liens created by any of the Financing Documents for any reason ceases to be valid, perfected, security interests or mortgage Liens of the required priority in favor of U.S. Bank, the Issuer or the Trustee, as the case may be, or

(m) An Environmental Event has occurred and is continuing that in the reasonable opinion of US Bank has or is likely to have a Material Adverse Effect; or

(n) The occurrence and continuation of a default under any other loan or credit agreement between the University or any Affiliate and US Bank which allows US Bank to accelerate indebtedness,

then, if an Event of Default has occurred and is continuing uncured, U.S. Bank may:

(i) Notify the Trustee of such Event of Default, direct the Trustee to declare an Event of Default (as defined in the Bond Documents), and effectuate a mandatory tender of the Bonds and direct the Trustee to draw on the Letter of Credit and/or to exercise remedies under the Bond Documents; (ii) declare the University's obligations under the Reimbursement Agreement to be, whereupon the same will become, immediately due and payable; (iii) if the Bonds have been paid in full or provision for such payment has been made in accordance with the Bond Documents, (a) pay out additional sums of US Bank (which sums will be immediately due and payable by the University to US Bank and will bear interest from the date of payment by US Bank until the date of repayment at the rate specified in Section 2.02(f) for sums more than 10 days overdue), and use any property of the University in which US Bank has or obtains an interest, including any funds which may be transferred by the Trustee to US Bank (which funds the University hereby assigns and quitclaims to US Bank), for application to any or all of the following with respect to the protection or maintenance of US Bank's interest, and in such connection deliver or disburse the same to such entities in such amounts and with such preferences and priorities as US Bank in its sole discretion shall determine, either with or without vouchers or orders executed by the University: (A) all sums due from the University to US Bank; (B) premiums and costs of insurance; (C) reasonable fees, costs and expenses of US Bank and its counsel in connection with the preparation, enforcement, performance and filing of Reimbursement Agreement and the other documents contemplated hereby; (D) any taxes (including federal, state and local taxes) or other governmental charges; (E) any sums required to indemnify and hold US Bank harmless from any act or omission of US Bank (except such as are intentional or grossly negligent) for which indemnity is provided under the Reimbursement Agreement or any other document; (F) any sums due to contractors, subcontractors, mechanics or materialmen for work or services actually furnished to the University; (G) federal or state claims for any required withholding of taxes on wages; and (H) other costs and expenses which are required to establish, protect or maintain US Bank's security position; and (b) place additional encumbrances upon the University's properties and/or assets limited to the money advanced; (iv) exercise, or cause to be exercised, any and all such remedies as it may have under the Reimbursement Agreement, the Financing Documents or any other document or at law or in equity; (v) declare all amounts outstanding as Credit Loans or a Term Loan to be immediately due and payable, and demand payment of any or all other amounts owing under the Financing Documents to US Bank; (vi) terminate its obligation to make a Credit Loan and/or Term Loan; and (vii) upon the occurrence of an Event of Default under Section 7.01(g) of the Reimbursement Agreement, all of the University's obligations hereunder will automatically become immediately due and payable without the giving of notice of any kind.

Future Letter of Credit Substitutions

The Authority may, at any time, deliver or cause to be delivered to the Trustee a substitute Letter of Credit in substitution for the Letter of Credit then in effect. The amount available under the substitute Letter of Credit must be at least equal to the sum of the principal amount of Series 2008B-2 Bonds then Outstanding supported by the Letter of Credit being replaced, plus an amount available to be drawn on account of up to 34 days interest on such Series 2008B-2 Bonds. A substitute Letter of Credit may expire by its terms not earlier than one year after its effective date. The Series 2008B-2 Bonds for which a substitute Letter of Credit is delivered are subject to mandatory tender for purchase on the effective date of such substitute Letter of Credit or, if such day is not a Business Day, on the immediately preceding Business Day.

Security for the Series 2008B-2 Bonds

Funds and Accounts

Among the funds and accounts established and pledged by the Resolution is the Debt Service Fund, which includes the Debt Service Account. The Debt Service Account is to be funded with money drawn under the Letter of Credit for the payment of the principal or Sinking Fund Installments of or interest on the Series 2008B-2 Bonds, as such payments become due. The money in the Debt Service Account is to be applied to such payments.

The Bond Series Certificate establishes a special fund (the "Purchase and Remarketing Fund") for payment of the Purchase Price of tendered Series 2008B-2 Bonds. Within the Purchase and Remarketing Fund there are three accounts: the Purchase Account, the Remarketing Proceeds Account and the Available Money Account. Money derived from the remarketing of tendered Series 2008B-2 Bonds are to be deposited by the Trustee upon receipt from the Remarketing Agent to the Remarketing Proceeds Account. Money derived from a draw on the Substitute Letter of Credit for payment of the Purchase Price of tendered Series 2008B-2 Bonds are to be deposited in the Purchase Account. All other Available Money to be applied to payment of the Purchase Price of Series 2008B-2 Bonds are to be deposited in the Available Money Account. The Purchase Price of the tendered Series 2008B-2 Bonds is to be paid, first, from the remarketing proceeds in the Remarketing Proceeds Account, then from money in the Purchase Account, and, if the amount from those two sources are insufficient to pay the Purchase Price, then from the Available Money Account. In the event Available Money in the accounts within the Purchase and Remarketing Fund is not sufficient to pay the Purchase Price, the University is obligated under the Loan Agreement to pay on or before 2:30 p.m., New York City time, on the purchase date the amount required fully to pay the Purchase Price. The money paid by the University for the Purchase Price may not constitute Available Money. No bonds, other than the Series 2008B-2 Bonds, will have any right in, or to the money in, the Purchase and Remarketing Fund established for the Series 2008B-2 Bonds.

The Resolution also establishes a Bank Repayment Fund which is to be funded with money paid by the University pursuant to the Loan Agreement on account of the principal and Redemption Price of and interest on all Outstanding Bonds issued under the Resolution. The money in the Bank Repayment Fund is to be applied to reimburse the Banks for payments made under Letters of Credit issued by them. However, if a Bank has failed to honor a draw upon its Letter of Credit to pay the principal, Redemption Price or Purchase Price of, or interest on, the bonds for which the Letter of Credit was issued, money in the Bank Repayment Fund which was to reimburse that bank for its advances under its Letter of Credit is to be applied by the Trustee to make such payments to the extent other Available Money is not sufficient. For a more complete description of the funds and accounts established by the Resolution and of the provisions of the Resolution relating to their funding sources and the investment and application of the money therein, see "Appendix D - Summary of Certain Provisions of the Resolution."

The Revenues

The Revenues pledged by the Authority to secure the Series 2008B-2 Bonds consist of the payments made by the University pursuant to the Loan Agreement on account of the principal and Redemption Price of and interest on the Bonds Outstanding under the Resolution, including the Series 2008B-2 Bonds.

The Loan Agreement and the University's obligation to make the payments required by it are general obligations of the University payable out of any money available to it. The payments to be made by the University on account of the principal and Redemption price of an interest on the Bonds Outstanding under the Resolution are required to be made at times and in amounts necessary to assure that, on the dates payments are due on such Bonds, sufficient money is held in the Bank Repayment Fund either to reimburse the Banks for amounts advanced by them under their Letters of Credit or to pay the principal and Redemption Price of and interest on the such Bonds when due.

Assignment of Loan Agreement

The Authority has assigned the Loan Agreement (a) to the Trustee to secure the Authority's obligations under the Resolution, and (b) to each Bank that has issued an Letter of Credit for Bonds Outstanding under the Resolution to secure repayments of amounts advanced by each Bank under its Letter of Credit and any other amounts payable to such Banks pursuant to their respective Reimbursement Agreement, in each case subject to certain rights reserved to the Authority. Pursuant to the Loan Agreement and the Amended and Restated Intercreditor Agreement, the respective interests of the Authority, the Trustee and, to the extent that a Bank has not defaulted on its obligations under its Letter of Credit, each Bank in the Pledged Revenues and the 2008 Mortgage are of equal priority. The respective rights and obligations of the Authority, the Banks and the Trustee to enforce the provisions of the Loan Agreement and to share in any recoveries resulting therefrom are controlled and limited by the Amended and Restated Intercreditor Agreement.

The incurrence by the University of additional indebtedness secured by the Pledged Revenues on a parity with the Series 2008B-2 Bonds will require the prior consent of the Authority and the Substitute LOC Bank.

The Pledged Revenues

The University has secured its obligations under the Loan Agreement by giving the Authority a security interest in the Pledged Revenues, which are a portion of the University's revenues from tuition and fees charged to students for academic instruction, the right to receive the same and the proceeds thereof. However, the Pledged Revenues available to be realized upon in any year is limited to the maximum amount payable on the Outstanding Bonds for the principal and Sinking Fund Installments of and interest thereon in the then current or any future calendar year.

The interests in the Pledged Revenues of the Authority, the Trustee and the Banks are subject to certain other liens that secure the Other Secured Loans. The outstanding indebtedness of the University secured by liens on the Pledged Revenues and that constitute the Other Secured Indebtedness are the loans made by the Authority from the proceeds of the Secured Loan Bonds. For a description of the relative priorities and rights of payment out of the Pledged Revenue, and of the outstanding indebtedness of the University secured by the Pledged Revenues, see "PART 2 - SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2008B-2 BONDS - The Intercreditor Agreement" and "PART 5 - THE UNIVERSITY - Outstanding Indebtedness."

The 2008 Mortgage

The University granted the 2008 Mortgage to the Authority and the Banks to secure its obligations (a) to the Authority pursuant to the Loan Agreement and (b) to each of the respective Banks to secure repayments of amounts advanced by them under their respective Letter of Credit and any other amounts payable to them pursuant to their respective Reimbursement Agreement. The Mortgaged Property is subject to other mortgage liens to secure the Other Secured Loans. The outstanding indebtedness of the University secured by mortgage liens on all or a portion of the Mortgaged Property and that constitute the Other Secured Indebtedness are the loans made by the Authority from the proceeds of the Secured Loan Bonds. For a description of the relative priorities and rights of payment out of the Mortgaged Property and of the outstanding indebtedness of the University secured by the Mortgaged Property, see "PART 2 - SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2008B-2 BONDS - The Intercreditor Agreement" and "PART 5 - THE UNIVERSITY - Outstanding Indebtedness."

The Intercreditor Agreement

The Mortgaged Property and the Pledged Revenues are subject to liens securing the Other Secured Loans. Each of the Secured Loans is secured by the lien of a security interest in the Pledged Revenues. However, only a portion of the Mortgaged Property secured the Secured Loan made by the Authority from the proceeds of its St. John's University Insured Revenue Bonds, Series 2007A and Series 2007C (the "2007 Bonds"). Each of the other Secured Loans is secured by a mortgage on all of the Mortgaged Property.

Simultaneously with the Secured Loans made in August, 2012, the Authority, the trustees for the holders of the Secured Loan Bonds, the insurer that has issued financial guaranty insurance policies in connection with certain of the Secured Loan Bonds, and the Banks that have issued direct pay letters of credit in connection with certain other Secured Loan Bonds, each as a creditor or a contingent creditor of the University as a consequence of the Secured Loans (each a "Creditor," and, collectively, the "Creditors"), entered into the Amended and Restated Intercreditor Agreement, amending and restating the Intercreditor Agreement previously executed in connection with the Secured Loans made from the Series 2008 Bonds. Pursuant to the Amended and Restated Intercreditor Agreement, each of the Creditors have agreed that the liens on the Mortgaged Property and the Pledged Revenues securing the Secured Loans will be of equal priority with each other, and each of the Creditors, upon any foreclosure of or other realization upon the liens on the Mortgaged Property or the Pledged Revenues, will, after certain expenses incurred in connection with enforcement of the mortgages and security interest and collection of the proceeds thereof have been paid, be entitled to share *pro rata* in such proceeds, based upon the then outstanding and unpaid principal amount of indebtedness of the University due and owing to each of the Creditors. However, upon a foreclosure of or other realization upon the Mortgaged Property, the Creditors of the University in connection with the Secured Loan made from the 2007 Bonds will only be entitled to share in the proceeds of the foreclosure of or realization on the portion of the Mortgaged Property securing such Secured Loan.

Simultaneously with delivery on the Tender Date of the Substitute Letter of Credit, the Amended and Restated Intercreditor Agreement will be further amended and restated to add US Bank, as a Creditor in connection with the Secured Loan made from the proceeds of the Series 2008B-2 Bonds, and to remove Bank of America, N.A., as a Creditor in connection with such Secured Loan as a result of the termination on the Tender Date of the Existing Letter of Credit securing the Series 2008B-2 Bonds. However, Bank of America, N.A. will remain a party to the Amended and Restated Intercreditor Agreement, as it will continue to be Creditor because the Letter of Credit issued by it securing the Series 2008B-1 Bonds continues to secure the Series 2008B-1 Bonds.

The principal amount of Secured Loans secured by liens on the Mortgaged Property and the Pledged Revenues is approximately \$451.9 million. The Mortgaged Property, as of its most recent date of valuation, is valued at approximately \$243.6 million. The Pledged Revenues, which consist of the tuition and fees charged to students for academic instruction, have during the past five Fiscal Years of the University, ranged from a low of approximately \$277.7 million in the Fiscal Year ended May 31, 2007 to a high of approximately \$350.3 million in the Fiscal Year ended May 31, 2012. See "PART 5 - THE UNIVERSITY - Tuition and Fees."

Events of Default and Acceleration

The following are events of default under the Resolution: (i) a default by the Authority in the payment of the principal or Redemption Price of or interest on any Bond; (ii) there has been a Determination of Taxability with respect to a Tax Exempt Bond of a Series; (iii) a default by the Authority in the due and punctual performance of any other covenants, conditions, agreements or provisions contained in the Bonds, including any Series 2008 Bond, or in the Resolution which continues for 30 days after written notice thereof is given to the Authority by the Trustee or if such default is not capable of being cured within 30 days, if the Authority fails to commence within said 30 days and diligently prosecute the cure thereof (such notice to be given in the Trustee's discretion or at the written request of Holders of not less than 25% in principal amount of Outstanding Bonds); or (iv) an "Event of Default," as defined in the Loan Agreement, has occurred and is continuing and all sums payable by the University under the Loan Agreement have been declared immediately due and payable (unless such declaration has been annulled). Unless all sums payable by the University under the Loan Agreement are declared immediately due and payable, an event of default under the Loan Agreement is not an event of default under the Resolution.

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

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

The Resolution provides that the Trustee is to give notice in accordance with the Resolution of each event of default known to the Trustee and to each Bank as soon as practicable, to the University 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. However, except in the case of default in the payment of principal or Redemption Price of or interest on any of the Bonds, the Trustee will be protected in withholding such notice thereof to the Holders if the Trustee in good faith determines that the withholding of such notice is in the best interests of the Holders of the Bonds.

Issuance of Additional Bonds

In addition to the Series 2008 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 or other bonds issued on behalf of the University. The Bonds which may be issued include fixed rate Bonds, Capital Appreciation Bonds, Deferred Income Bonds, Option Bonds and Variable Interest Rate Bonds. All Bonds issued under the Resolution will rank on a parity with each other and will be secured equally and ratably with each other. Each Series of Bonds must be secured by an irrevocable direct-pay Letter of Credit.

PART 3 - THE SERIES 2008B-2 BONDS

Description of the Series 2008B-2 Bonds

The Series 2008B-2 Bonds were issued as fully registered bonds in denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof. The Series 2008B-2 Bonds may be exchanged for other Series 2008B-2 Bonds of the same Series 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 2008B-2 Bonds (i) during the period beginning on the Record Date next preceding an Interest Payment Date for such Series 2008B-2 Bonds and ending on such Interest Payment Date or (ii) after the date next preceding the date on which the Trustee commences selection of Series 2008B-2 Bonds for redemption.

The Series 2008B-2 Bonds will be issued in book-entry form and will be registered in the name of Cede & Co., as nominee of DTC, pursuant to DTC's Book-Entry Only System. Purchases of beneficial interests in the Series 2008B-2 Bonds will be made in book-entry form, without certificates. If at any time the Book-Entry Only System is discontinued for any Series 2008B-2 Bonds, such Series 2008B-2 Bonds will be exchangeable for other fully registered Series 2008B-2 Bonds of the same Series in any other authorized denominations and 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 D - Summary of Certain Provisions of the Resolution."

The Series 2008B-2 Bonds are dated the date of their initial delivery, bear interest from the Reoffered Date of July 12, 2012 through the Initial Rate Period at the Initial Rate and thereafter will bear interest at Weekly Rates for Weekly Rate Periods until converted to another Rate Period.

Unless expressly stated otherwise, the description of the Series 2008B-2 Bonds and such documents included in this Reoffering Circular relate only to the terms and provisions which are applicable while the Series 2008B-2 Bonds bear interest at a Weekly Rate.

Payment of Interest

Interest on the Series 2008B-2 Bonds will be paid on November 1, 2012 and on the first Business Day of each month thereafter, until converted to another Rate Period. Interest on the Series 2008B-2 Bonds will be computed on the basis of a 365-day or 366-day year, as appropriate, for the actual number of days elapsed.

Interest on the Series 2008B-2 Bonds will be payable during each Weekly Rate Period in immediately available funds by check or draft or, at the request of a Holder, by wire transfer to the wire transfer address within the continental United States to which such Holder has, prior to the applicable Record Date, directed the Trustee to wire such interest. The Record Date is the close of business on the Business Day immediately preceding each Interest Payment Date during the Initial Rate Period and any Weekly Rate Period. If the Series 2008B-2 Bonds are not registered in the name of DTC or its nominee, Cede & Co., the principal, Purchase Price or Redemption Price of the Series 2008B-2 Bonds will be payable at the principal corporate trust office of The Bank of New York Mellon, New York, New York, as Trustee, upon presentation and surrender of such Series 2008B-2 Bonds to it.

Rate Periods

Beginning on the Thursday next following the Tender Date, the Series 2008B-2 Bonds will bear interest at Weekly Rates for successive Weekly Rate Periods until converted to another Rate Period. Each Weekly Rate Period will begin on a Thursday and end on Wednesday of the following week or on an earlier Conversion Date to another Rate Period.

Establishment of Rates

Each Weekly Rate will be the rate of interest that, in the Remarketing Agent's judgment, having due regard for the prevailing financial market conditions for revenue bonds or other securities the interest on which is excluded from gross income for federal income tax purposes and which are comparable to the Series 2008B-2 Bonds as to credit and maturity or tender dates, would be the lowest interest rate which would enable the Series 2008B-2 Bonds to be sold at a price of par, plus accrued interest, if any, on the first day of the Rate Period. In no event may the interest rate on any Series 2008 Bond for any Rate Period exceed the Maximum Rate, which is 12% per annum. Each Weekly Rate is to be determined no later than 5:00 p.m., New York City time, on the Wednesday next preceding each Weekly Rate Period, or, if such Wednesday is not a Business Day, on the next succeeding Business Day.

If the Remarketing Agent fails to establish a Weekly Rate for any week, then (1) the Weekly Rate for such week will be the same as the Weekly Rate for the immediately preceding week if the Weekly Rate for such immediately preceding week was determined by the Remarketing Agent or (2) if the Weekly Rate for the immediately preceding week was not determined by the Remarketing Agent or if the Weekly Rate determined by the Remarketing Agent is held to be invalid or unenforceable by a court of law, then the Weekly Rate for such week will be equal to 100% of the SIFMA Municipal Index, made available for the week preceding the date of determination, or if such index is no longer available, or no such index was made available for the week preceding the date of determination, 70% of the interest rate on 30-day high grade unsecured commercial paper notes sold through dealers by major corporations as reported in *The Wall Street Journal* or *The Bond Buyer* on the day such Weekly Rate would otherwise be determined. However, if there is no Remarketing Agent in place the rate will be set at the Maximum Rate.

Conversion to Another Rate Period

The Authority, subject to certain conditions, may convert all or any portion of the Series 2008B-2 Bonds from the Weekly Rate Mode to another Rate Mode.

If Series 2008B-2 Bonds are to be converted from a Weekly Rate Mode to another Rate Mode, the Trustee is to give written notice of such conversion (a “Conversion Notice”) to the Holders of such Series 2008B-2 Bonds by first class mail, at the times and in accordance with the applicable Bond Series Certificate. The Conversion Notice must set forth, among other things, (a) the proposed Conversion Date, (b) that the conversion will not occur unless on the Conversion Date the Trustee has received an Opinion of Bond Counsel, (c) that, whether or not tendered to the Trustee, all Series 2008B-2 Bonds required to be tendered upon the conversion will be deemed to have been properly tendered for purchase on the Conversion Date and the Holders of such Series 2008B-2 Bonds will no longer be entitled to the payment of the principal of or interest on the Series 2008B-2 Bonds, but will only be entitled to payment of the Purchase Price and (d) that, if on the Conversion Date money for the payment of the Purchase Price is held by the Trustee, interest will cease to accrue on the Series 2008B-2 Bonds from and after the Conversion Date.

If on the proposed Conversion Date, the conditions required for a conversion to the other Rate Mode have not been met, the Series 2008B-2 Bonds will not convert to the other Rate Mode, but will remain in the Weekly Rate Mode. The interest rate on the Series 2008B-2 Bonds for the Weekly Rate Period commencing on or after the proposed Conversion Date will be determined on the date the Series 2008B-2 Bonds were to have converted to the other Rate Mode.

The Authority at the direction of the University may at any time on or prior to the Business Day preceding the Conversion Date elect not to convert the Series 2008B-2 Bonds to another Rate Mode.

Optional Tender

The Holders of Series 2008B-2 Bonds may elect to tender their Series 2008B-2 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, an irrevocable telephonic notice (subsequently confirmed in writing the same day) or written notice which states (i) the aggregate principal amount in an Authorized Denomination of each Series 2008 Bond to be purchased and (ii) that each such Series 2008 Bond (or portion thereof in an Authorized Denomination) is to be purchased on the Optional Tender Date.

As long as the Series 2008B-2 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 2008B-2 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 2008 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

Series 2008B-2 Bonds while in the Weekly Rate Mode are subject to mandatory tender and purchase at the Purchase Price on the following dates (each a “Mandatory Tender Date”): (i) the Conversion Date for such Series 2008B-2 Bonds to any Rate Mode other than the Daily Rate Mode, (ii) on a Business Day that is not less than three Business Days prior to the date on which the Letter of Credit then in effect for such Series 2008B-2 Bonds is to expire, (iii) on the effective date of any substitute Letter of Credit for such Series 2008B-2 Bonds or, if the effective date is not a Business Day, the preceding Business Day or (iv) on a Business Day that is not less than five days after receipt by the Trustee of a Default Notice or notice of non-reinstatement of interest delivered by a Bank in accordance with its Reimbursement Agreement.

Delivery of Tendered Bonds

Series 2008B-2 Bonds or portions thereof, other than Series 2008B-2 Bonds registered in the name of DTC or its nominee, Cede & Co., for which an election to tender has been made and Series 2008B-2 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 at or prior to 1:00 p.m., New York City time, 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 money to pay the Purchase Price of such Series 2008B-2 Bonds, such Series 2008B-2 Bonds will be deemed tendered without physical delivery to the Trustee and the Holders or DTC Participants and Beneficial Owners of such Series 2008B-2 Bonds will have no further rights other than the right to the payment of the Purchase Price. The Purchase Price for tendered Series 2008B-2 Bonds is payable solely out of the sources of money described herein. See “PART 2 - SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2008B-2 BONDS.” The Authority has no obligation to pay the Purchase Price out of any other money.

The Remarketing Agent

U.S. Bancorp Investments, Inc. and U.S. Bank Municipal Securities Group, a division of U.S. Bank National Association have been appointed as the Remarketing Agent for the Series 2008B-2 Bonds.

Remarketing and Purchase

The Remarketing Agent is required to use its best efforts to remarket the Tendered Bonds. However, the Remarketing Agent is not required to remarket any Tendered Bonds under certain circumstances. The Remarketing Agent may, at its sole option, either (i) suspend its obligations under the Remarketing Agreement without the termination of the Remarketing Agreement or (ii) terminate its obligations under the Remarketing Agreement at any time by notifying the University, the Authority, the Trustee and the provider of any Liquidity Facility then in effect of its election to do so if: (a) legislation has been introduced in or enacted by Congress or adopted by either House thereof, or legislation has been recommended for passage, or a decision by a court has been rendered or a ruling shall be made with respect to federal taxation of revenues or with respect to other income of the general character expected to be derived under the Resolution by the Authority or upon interest received by the Series 2008B-2 Bonds which would, in the opinion of the Remarketing Agent, materially adversely affect the marketability of the Series 2008B-2 Bonds; or (b) legislation has been introduced in, or be enacted by, Congress, or a decision by a court has been rendered, or a stop order or ruling by or on behalf of the SEC be made or proposed, to the effect that the offering or sale of the Series 2008B-2 Bonds is or would be in violation of any provision of the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, or the Trust Indenture Act of 1939, as amended, or (c) any information becomes known that, in the opinion of the Remarketing Agent, makes untrue, incorrect or misleading in any material respect any statement or information contained in this Reoffering Circular, as so supplemented or amended, or causes this Reoffering Circular, as so supplemented or amended, to contain an untrue, incorrect or misleading statement of a material fact or to omit to state a material fact necessary to make the statements made herein, in light of the circumstances under which they were made, not misleading; or (d) except as provided in clauses (a) and (b) above, any legislation, ordinance, rule or regulation has been introduced in or be enacted by any federal governmental body, department or agency or any State of New York governmental body, department or agency, or a decision by any court of competent jurisdiction within the State of New York that, in the opinion of the Remarketing Agent, materially adversely affects the marketability of the Series 2008B-2 Bonds; or (e) additional material restrictions not in force as of the date hereof have been imposed upon trading in securities generally by any governmental authority purporting to have jurisdiction regarding the trading of the Series 2008B-2 Bonds or by any national securities exchange that, in the opinion of the Remarketing Agent, materially adversely affects the marketability of the Series 2008B-2 Bonds; or (f) any governmental authority imposes any material restrictions not now in force, or increase materially those now in force that, in the opinion of the Remarketing Agent, materially adversely affect the marketability of the Series 2008B-2 Bonds; or (g) a general moratorium on commercial banking activities in the state of New York is declared by either federal or state of New York authorities; or (h) there has been the outbreak or material escalation of hostilities involving the United States of America, or the declaration by the United States of a national emergency or war that, in the judgment of the Remarketing Agent, has had or would have a materially adverse effect on the marketability of the Series 2008B-2 Bonds; or (i) any rating of the Series 2008B-2 Bonds has been downgraded or withdrawn by any securities rating agency, which, in the opinion of the Remarketing Agent, materially adversely affects the marketability of the Series

2008B-2 Bonds; or (j) an event, including, without limitation, the bankruptcy or default of any other issuer of obligations of the general character of the Series 2008B-2 Bonds or on tax-exempt commercial paper, has occurred which, in the opinion of the Remarketing Agent, makes the marketability of the Series 2008B-2 Bonds at interest rates not in excess of the maximum interest rate permitted by the Resolution impracticable or impossible; or (k) a material disruption in commercial banking or securities settlement or clearance services; or (l) the notice of the occurrence of an event of default under the Resolution, the Loan Agreement or the Reimbursement Agreement, or the amendment, modification or supplement of such documents without the Remarketing Agent's consent, or a material adverse change or any development involving a prospective adverse change in the properties or condition (financial or otherwise) of the Authority or the University since the date of this Reoffering Statement has occurred.

Tendered Bonds will be purchased from the Holders on the Mandatory Tender Date or Optional Tender Date at the Purchase Price. Interest on Tendered Bonds to be purchased after the Record Date for an Interest Payment Date will be paid to the registered owner of the Tendered Bonds on the Record Date.

No Series 2008 Bond tendered for purchase at the option of the Holder which does not strictly conform to the description contained in the notice of tender will be purchased from its Holder.

Rate Period Table

The following Weekly Rate Period Table is provided for the convenience of Holders of the Series 2008B-2 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 applicable 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 each Conversion Date
Interest Rate Determination Dates	By 5:00 p.m., New York City time, on the Business Day prior to the first day of the Weekly Rate Period
Optional Tender Date	Any Business Day
Bondholder Notice of Tender Due	No later than 5:00 p.m., New York City time, on the seventh day preceding the Optional Tender Date

Redemption and Purchase in Lieu of Optional Redemption

The Series 2008B-2 Bonds are subject to optional and mandatory redemption, and to purchase in lieu of optional redemption, as described below. For a more complete description of the redemption and other provisions relating to the Series 2008B-2 Bonds, see "Appendix D - Summary of Certain Provisions of the Resolution."

Optional Redemption

The Series 2008B-2 Bonds are subject to optional redemption prior to maturity at the election of the Authority, in whole or in part and in any order, on any Business Day, at a Redemption Price equal to 100% of the principal amount of the Series 2008B-2 Bonds or portions thereof to be redeemed, plus accrued interest, if any, to the date of redemption.

Purchase in Lieu of Optional Redemption

The Series 2008B-2 Bonds are also subject to purchase in lieu of optional redemption prior to maturity at the election of the University, in whole or in part and in any order, on any Business Day, at a price of 100% of the principal amount thereof (the “Optional Purchase Price”), plus accrued interest, if any, to the date of purchase (the “Purchase Date”).

Mandatory Redemption

In addition, the Series 2008B-2 Bonds are also subject to redemption, in part, on each July 1 (or if not an Interest Payment date, the next succeeding Interest Payment Date) of the years and in the respective principal amounts set forth below, at a Redemption Price equal to 100% of the principal amount of Series 2008B-2 Bonds to be redeemed, plus accrued, if any, interest to the date of redemption, from mandatory Sinking Fund Installments which are required to be made in amounts sufficient to redeem on July 1 (or such succeeding Interest Payment Date) of each year the principal amount of Series 2008B-2 Bonds specified for each of the years shown below:

Series 2008B-2 Bonds			
<u>Year</u>	<u>Sinking Fund Installments</u>	<u>Year</u>	<u>Sinking Fund Installments</u>
2014	\$895,000	2026	\$2,265,000
2015	920,000	2027	1,910,000
2016	945,000	2028	1,985,000
2017	1,000,000	2029	4,855,000
2018	1,050,000	2030	4,935,000
2019	1,100,000	2031	7,130,000
2020	1,150,000	2032	7,415,000
2021	1,180,000	2033	7,740,000
2022	1,255,000	2034	8,045,000
2023	1,305,000	2035	2,120,000
2024	1,990,000	2036	2,225,000
2025	2,045,000	2037 [†]	2,300,000

[†] Final Maturity.

There will be credited against and in satisfaction of the Sinking Fund Installment payable on any date, the principal amount of Series 2008B-2 Bonds entitled to such Sinking Fund Installment (A) purchased with money in the Bank Repayment Fund pursuant to the Resolution, (B) redeemed at the option of the Authority, (C) purchased by the University or the Authority and delivered to the Trustee for cancellation or (D) deemed to have been paid in accordance with the Resolution. Series 2008B-2 Bonds purchased with money in the Bank Repayment Fund will be applied against and in fulfillment of the Sinking Fund Installment of the Series 2008B-2 Bonds so purchased payable during the next succeeding Bond Year. Series 2008B-2 Bonds redeemed at the option of the Authority, purchased by the Authority or the University (other than from amounts on deposit in the Debt Service Fund) and delivered to the Trustee for cancellation or deemed to have been paid in accordance with the Resolution will be applied in satisfaction, in whole or in part, of one or more Sinking Fund Installments as the Authority may direct in its discretion. To the extent the Authority’s obligation to make Sinking Fund Installments in a particular year is so satisfied, the likelihood of redemption through mandatory Sinking Fund Installments of a Bondholder’s Series 2008B-2 Bonds of the maturity so purchased will be reduced for such year.

Selection of Bonds to be Redeemed

In the case of redemptions of Series 2008B-2 Bonds, other than mandatory redemptions, the Authority will select the maturities of the Series 2008B-2 Bonds to be redeemed. If less than all of the Series 2008B-2 Bonds of a maturity are to be redeemed, the Series 2008B-2 Bonds of such maturity to be redeemed will be selected by the Trustee, by lot, using such method of selection as the Trustee shall consider proper in its discretion.

Notice of Redemption

The Trustee is to give notice of the redemption of the Series 2008B-2 Bonds in the name of the Authority, by first-class mail, postage prepaid, not less than 15 nor more than 30 days prior to the Redemption Date, to the registered owners of any Series 2008B-2 Bonds which are to be redeemed, at their last known addresses appearing on the registration books of the Authority not more than ten Business Days prior to the date such notice is given. The failure of any owner of a Series 2008 Bond to be redeemed to receive notice of redemption will not affect the validity of the proceedings for the redemption of such Series 2008 Bond. If directed in writing by an Authorized Officer of the Authority, the Trustee will publish or cause to be published such notice in an Authorized Newspaper not less than 15 days nor more than 30 days prior to the redemption date, but publication is not a condition precedent to such redemption and failure to publish such notice or any defect in such notice or publication will not affect the validity of the proceedings for the redemption of such Series 2008B-2 Bonds.

Any notice of optional redemption may state that such redemption is conditioned upon the deposit of money with the Trustee sufficient to pay the Redemption Price and upon any other condition specified by the Authority.

If on the redemption date money for the redemption of the Series 2008B-2 Bonds of like maturity to be redeemed, together with interest thereon to the redemption date, are held by the Trustee so as to be available for payment of the redemption price, and if notice of redemption has been mailed, then interest on the Series 2008B-2 Bonds of such maturity will cease to accrue from and after the redemption date and such Series 2008B-2 Bonds will no longer be considered to be Outstanding.

Notice of Purchase in Lieu of Optional Redemption and its Effect

Notice of such purchase of the Series 2008B-2 Bonds will be given in the name of the University to the registered owners of the Series 2008B-2 Bonds to be purchased by first-class mail, postage prepaid, not less than 15 days nor more than 30 days prior to the Purchase Date specified in such notice. The Series 2008B-2 Bonds to be purchased are required to be tendered on the Purchase Date to the Trustee. Series 2008B-2 Bonds to be purchased that are not so tendered will be deemed to have been properly tendered for purchase. In the event Series 2008B-2 Bonds are called for purchase in lieu of an optional redemption, such purchase will not operate to extinguish the indebtedness of the Authority evidenced thereby or modify the terms of such Series 2008B-2 Bonds and such Series 2008B-2 Bonds need not be cancelled, but will remain Outstanding under the Resolution and in such case will continue to bear interest.

The University's obligation to purchase a Series 2008 Bond to be purchased or cause it to be purchased may be conditioned upon the availability of sufficient money to pay the Optional Purchase Price for all of the Series 2008B-2 Bonds to be purchased on the Purchase Date. If sufficient money is available on the Purchase Date to pay the Optional Purchase Price of the Series 2008B-2 Bonds to be purchased, the former registered owners of such Series 2008B-2 Bonds will have no claim thereunder or under the Resolution or otherwise for payment of any amount other than the Optional Purchase Price. If sufficient money is not available on the Optional Purchase Date for payment of the Purchase Price, the Series 2008B-2 Bonds tendered or deemed tendered for purchase will continue to be registered in the name of the registered owners on the Purchase Date, who will be entitled to the payment of the principal of and interest on such Series 2008B-2 Bonds in accordance with their respective terms.

Any notice of purchase in lieu of optional redemption may state that such purchase is conditioned upon the deposit of money with the Trustee sufficient to pay the Optional Purchase Price and upon any other conditions specified by the Authority.

In the event not all of the Outstanding Series 2008B-2 Bonds of a maturity are to be purchased, the Series 2008B-2 Bonds of such maturity to be purchased will be selected by lot in the same manner as Series 2008B-2 Bonds of a maturity to be redeemed in part are to be selected.

Special Considerations Relating to the Series 2008B-2 Bonds

The Remarketing Agent is Paid By the Borrower. The Remarketing Agent's responsibilities include determining the interest rate from time to time and remarketing Series 2008B-2 Bonds that are optionally or mandatorily tendered by the owners thereof (subject, in each case, to the terms of the Certificate and the Remarketing Agreement), all as further described in this Reoffering Circular. The Remarketing Agent is appointed by the Authority, with the consent of the University, and are paid by the University for its services. As a result, the interests of the Remarketing Agent may differ from those of existing Holders and potential purchasers of Series 2008B-2 Bonds.

The Remarketing Agent Routinely Purchases Series 2008B-2 Bonds for its Own Account. The Remarketing Agent act as remarketing agent for a variety of variable rate demand obligations and, in its sole discretion, routinely purchase such obligations for their own account. The Remarketing Agent is permitted, but not obligated, to purchase tendered Series 2008B-2 Bonds for its own account and, in their sole discretion, may routinely acquire such tendered Series 2008B-2 Bonds in order to achieve a successful remarketing of the Series 2008B-2 Bonds (*i.e.*, because there otherwise are not enough buyers to purchase the Series 2008B-2 Bonds) or for other reasons. However, the Remarketing Agent is not obligated to purchase Series 2008B-2 Bonds, and may cease doing so at any time without notice. The Remarketing Agent may also make a market in the Series 2008B-2 Bonds by routinely purchasing and selling Series 2008B-2 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 2008B-2 Bonds. The Remarketing Agent may also sell any Series 2008B-2 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 2008B-2 Bonds. The purchase of Series 2008B-2 Bonds by the Remarketing Agent may create the appearance that there is greater third party demand for the Series 2008B-2 Bonds in the market than is actually the case. The practices described above also may result in fewer Series 2008B-2 Bonds being tendered in a remarketing.

Series 2008B-2 Bonds May be Offered at Different Prices on Any Date Including an Interest Rate Determination Date. The Remarketing Agent shall determine each interest rate for the Series 2008B-2 Bonds during interest rate periods pursuant to and in accordance with the Resolution. The interest rate will reflect, among other factors, the level of market demand for the Series 2008B-2 Bonds (including whether the Remarketing Agent is willing to purchase Series 2008B-2 Bonds for its own account). There may or may not be Series 2008B-2 Bonds tendered and remarketed on an interest rate determination date, the Remarketing Agent may or may not be able to remarket any Series 2008B-2 Bonds tendered for purchase on such date at par and the Remarketing Agent may sell Series 2008B-2 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 2008B-2 Bonds at the remarketing price. In the event the Remarketing Agent own any Series 2008B-2 Bonds for its own account, it may, in its sole discretion in a secondary market transaction outside the tender process, offer such Series 2008B-2 Bonds on any date, including the interest rate determination date, at a discount to par to some investors.

The Ability to Sell the Series 2008B-2 Bonds Other Than Through the Tender Process May Be Limited. The Remarketing Agent may buy and sell Series 2008B-2 Bonds other than through the tender process. However, they are 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 2008B-2 Bonds to do so through the Trustee with appropriate notice. Thus, investors who purchase the Series 2008B-2 Bonds, whether in a remarketing or otherwise, should not assume that they will be able to sell their Series 2008B-2 Bonds other than by tendering the Series 2008B-2 Bonds in accordance with the tender process.

The Remarketing Agent May Resign Without a Successor Being Named. The Remarketing Agent may resign, upon at least 45 days prior notice, without a successor having been named. If the Remarketing Agent resigns without a successor in place, the University may appoint a successor. If a successor is not appointed by the University within 45 days, the Trustee will assume such duties until a successor is appointed.

Book-Entry Only System

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Series 2008B-2 Bonds. The Series 2008B-2 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 2008B-2 Bond certificate will be issued for each maturity of the Series 2008B-2 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 2008B-2 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2008B-2 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2008B-2 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 2008B-2 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 2008B-2 Bonds, except in the event that use of the book-entry system for the Series 2008B-2 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2008B-2 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 2008B-2 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2008B-2 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2008B-2 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 will be sent to DTC. If less than all of the Series 2008B-2 Bonds within a maturity are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2008B-2 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 2008B-2 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 2008B-2 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption premium, if any, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee. Disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

The Authority and the Trustee may treat DTC (or its nominee) as the sole and exclusive registered owner of the Series 2008B-2 Bonds registered in its name for the purposes of payment of the principal and redemption premium, if any, of, or interest on, the Series 2008B-2 Bonds, giving any notice permitted or required to be given to registered owners under the Resolution, registering the transfer of the Series 2008B-2 Bonds, or other action to be taken by registered owners and for all other purposes whatsoever. The Authority and the Trustee have no responsibility or obligation to any Direct or Indirect Participant, any person claiming a beneficial ownership interest in the Series 2008B-2 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 2008B-2 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 2008B-2 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 2008B-2 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 2008B-2 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 2008B-2 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 2008B-2 BONDS.**

So long as Cede & Co. is the registered owner of the Series 2008B-2 Bonds, as nominee for DTC, references herein to the Holders or registered owners of the Series 2008B-2 Bonds (other than under the caption "PART 11 - TAX MATTERS" herein) means Cede & Co., as aforesaid, and does not mean the Beneficial Owners of the Series 2008B-2 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 2008B-2 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 2008B-2 Bonds if the Authority determines that (i) DTC is unable to discharge its responsibilities with respect to the Series 2008B-2 Bonds, or (ii) a continuation of the requirement that all of the Outstanding Series 2008B-2 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 2008B-2 Bond certificates will be delivered as described in the Resolutions.

NEITHER THE AUTHORITY, THE UNIVERSITY 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 2008B-2 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 2008B-2 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 2008B-2 BONDS, (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF THE SERIES 2008B-2 BONDS, OR (VI) ANY OTHER MATTER.

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Principal and Interest Requirements

The following table sets forth the amounts required to be paid by the University during each twelve month period ending May 31 of the years shown for the payment of debt service on the portion of the outstanding indebtedness of the University issued through the Authority, the principal of and interest on the Series 2008B-2 Bonds and the total debt service on all such indebtedness of the University, including the Series 2008B-2 Bonds.

12 Month Period Ending May 31	Series 2008B-2 Bonds		Debt Service on Other Outstanding Indebtedness ⁽¹⁾	Total Debt Service on Outstanding Indebtedness ⁽¹⁾
	Principal Payments	Interest Payments		
2014	-	\$ 2,032,800	\$ 26,845,269	\$ 28,878,069
2015	\$ 895,000	2,010,437	29,380,332	32,285,770
2016	920,000	1,987,050	30,072,579	32,979,629
2017	945,000	1,950,696	30,185,610	33,081,306
2018	1,000,000	1,925,014	30,391,999	33,317,013
2019	1,050,000	1,893,764	30,848,695	33,792,459
2020	1,100,000	1,864,849	31,155,214	34,120,063
2021	1,150,000	1,822,988	31,136,899	34,109,887
2022	1,180,000	1,791,516	31,157,152	34,128,669
2023	1,255,000	1,754,242	31,138,436	34,147,678
2024	1,305,000	1,718,873	31,157,407	34,181,280
2025	1,990,000	1,655,643	31,164,827	34,810,470
2026	2,045,000	1,598,003	31,141,603	34,784,606
2027	2,265,000	1,531,156	30,268,032	34,064,188
2028	1,910,000	1,475,098	30,134,655	33,519,753
2029	1,985,000	1,409,976	30,106,197	33,501,174
2030	4,855,000	1,281,642	27,404,606	33,541,248
2031	4,935,000	1,133,993	27,519,306	33,588,299
2032	7,130,000	932,947	9,856,274	17,919,222
2033	7,415,000	708,585	9,864,512	17,988,097
2034	7,740,000	479,506	9,875,022	18,094,528
2035	8,045,000	239,685	9,885,780	18,170,465
2036	2,120,000	146,659	8,165,519	10,432,178
2037	2,225,000	79,982	8,154,513	10,459,495
2038	2,300,000	11,532	8,143,294	10,454,825

⁽¹⁾ Assumes that the interest on variable rate bonds accrues at 3.00%, except for a portion of the Series 2008B-1 Bonds for which interest is assumed to accrue at 3.30%.

For a discussion of the University's outstanding indebtedness, see "PART 5 - THE UNIVERSITY - Outstanding Indebtedness."

PART 4 - THE BANK

The information under this heading has been provided solely by the Bank and is believed to be reliable. This information has not been verified independently by the Issuer or the Remarketing Agent. The Issuer and the Remarketing Agent make no representation whatsoever as to the accuracy, adequacy or completeness of such information.

U.S. Bank National Association (“USBNA”) is a national banking association organized under the laws of the United States and is the largest subsidiary of U.S. Bancorp. At June 30, 2012, USBNA reported total assets of \$343 billion, total deposits of \$245 billion and total shareholders’ equity of \$38 billion. The foregoing financial information regarding USBNA has been derived from and is qualified in its entirety by the unaudited financial information contained in the Federal Financial Institutions Examination Council report Form 031, Consolidated Report of Condition and Income for a Bank with Domestic and Foreign Offices (“Call Report”), for the quarter ended June 30, 2012. The publicly available portions of the quarterly Call Reports with respect to USBNA are on file with, and available upon request from, the FDIC, 550 17th Street, NW, Washington, D.C. 20429 or by calling the FDIC at (877) 275-3342. The FDIC also maintains an Internet website at www.fdic.gov that contains reports and certain other information regarding depository institutions such as USBNA. Reports and other information about USBNA are available to the public at the offices of the Comptroller of the Currency at One Financial Place, Suite 2700, 440 South LaSalle Street, Chicago, IL 60605.

U.S. Bancorp is subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and, in accordance therewith, files reports and other information with the Securities and Exchange Commission (the “SEC”). U.S. Bancorp is not guaranteeing the obligations of USBNA and is not otherwise liable for the obligations of USBNA.

Except for the contents of this section, USBNA and U.S. Bancorp assume no responsibility for the nature, contents, accuracy or completeness of the information set forth in this Reoffering Circular.

The information contained in this section, including financial information, relates to and has been obtained from the Bank, and is furnished solely to provide limited introductory information regarding the Bank and does not purport to be comprehensive. Any financial information provided in this section is qualified in its entirety by the detailed information appearing in the Call Reports referenced above. The delivery hereof shall not create any implication that there has been no change in the affairs of the Bank since the date hereof.

PART 5 - THE UNIVERSITY

History of the University

St. John’s University, New York is an independent, not-for-profit institution of higher education chartered under the laws of the State of New York, which was founded by the Vincentian Community in 1870. The University was originally located in Brooklyn, New York and incorporated under the name “St. John’s College, Brooklyn.”

In 1908, the School of Education became the first professional department established at the Brooklyn campus. The Graduate School of Arts and Sciences was organized six years later. In 1925, the University constructed a 14-story building at its Brooklyn campus to provide added space to accommodate four new educational units: the School of Law, the University College, the School of Commerce and the College of Pharmacy.

In 1953, the University expanded by opening a 105-acre campus in Queens, New York. At that time, the Liberal Arts College and the Graduate School of Arts were relocated from Brooklyn to the Queens campus. In addition, the School of Education and the School of Commerce established divisions at the Queens location. Due to the University’s expansion outside Brooklyn, in 1954, the corporate name was changed to “St. John’s University, New York.”

In 1971, the University consolidated with the Notre Dame College of Staten Island. As a result, the University acquired a branch campus located in Staten Island, New York. The Brooklyn campus was closed and its educational programs were transferred to the Queens and Staten Island campuses.

The University opened its first international center in Rome, Italy in September 1995 enabling students to pursue advanced studies leading to an MBA or MA in International Relations. In 2002, the University began to use the Rome campus as a study-abroad center for all students. In 2007, the University expanded its international presence by moving to a larger facility in Rome and opening a new location in Paris, France. These sites together provide education and housing facilities for over 300 students.

In 1999, the University acquired the 175-acre LaSalle Center in Oakdale, New York. This eastern Long Island location enabled the expansion of graduate programs, adult education programs, athletic activities and partnerships with Long Island businesses. In March 2012, the Town of Islip approved the University's application to designate a portion of the property as Planned Landmark Preservation Overlay District. The University was granted permission to develop a maximum of 380 units of attached housing on designated portions of the property.

In 2001, the University established a Manhattan campus following its consolidation with the Insurance Society of New York, a not-for-profit corporation which operated the former College of Insurance (TCI). The campus consists of a self-contained ten-story building in lower Manhattan which includes a library, four floors of dormitory space with almost 200 beds, classrooms and dining and conference facilities. Following the consolidation, TCI became a unit within the University's Peter J. Tobin College of Business and operates as The School of Risk Management, Insurance and Actuarial Science. Both graduate and undergraduate programs are offered on the Manhattan campus.

In 2006, the University purchased certain assets, consisting primarily of a 42,000 square foot two-story office/school building and certain allied health programs from Saint Vincent's Catholic Medical Centers of New York. The building is located near the Queens campus and is used primarily to house the acquired programs which are operated by the University's College of Pharmacy and Health Sciences.

The University Today

The University is now one of the largest Catholic universities in the United States. The early work of St. John's founders has grown into a more than 140-year tradition of academic achievement and is reflected in a dedicated faculty, a diverse student body and alumni who are leaders in business, government, education, law and media. The four New York campuses in Queens, Staten Island, Manhattan and Oakdale draw on the vast cultural and commercial resources of the New York metropolitan area.

Over 21,000 undergraduate and graduate students are enrolled in six colleges and divisions: St. John's College of Liberal Arts and Sciences; the College of Pharmacy and Health Sciences; the School of Education; the Peter J. Tobin College of Business; the College of Professional Studies; and the School of Law. More than 100 degree programs are offered, from two-year associate level to full doctorates.

As a result of a significant technology infrastructure initiative that began in 1996, students, faculty, staff and administrators at the University also enjoy access to state-of-the-art information technology equipment and services. In 2003, the University implemented an Academic Computing Initiative. Under this initiative, every new student and all full-time faculty receive a laptop computer for use anywhere on the University's campuses. All campuses have been equipped with wireless technology to facilitate the use of this and other technology for academic purposes.

Accreditations

The University is accredited by the following: Commission of Higher Education of the Middle States Association of Colleges and Schools, Association of American Law Schools, American Library Association, Accreditation Council on Pharmacy Education, American Chemical Society, American Bar Association, The Association to Advance Collegiate Schools of Business, Association for Assessment and Accreditation of

Laboratory Animal Care, American Psychological Association, American Speech-Language-Hearing Association, National Association of Schools of Art and Design, Sports Management Program Review Council, Council for Accreditation of Counseling and Related Educational Programs, National Accrediting Agency for Clinical Laboratory Sciences, Joint Review Committee on Education in Radiologic Technology, Commission on Accreditation of Allied Health Education Programs, Teacher Education Accreditation Council, and Accreditation Review Commission on Education for the Physician Assistant, Inc.

Strategic Plan

In 1995, the University and its Board of Trustees adopted a Strategic Plan, which provided for a series of important initiatives designed to meet the twin goals of fostering a culture of academic excellence and expanding physical facilities. One of the most significant areas of expansion has been the development of residence halls and related residence facilities, transforming the University from a 100% commuter institution and affecting every aspect of University life, including the ability to actively recruit students nationally and internationally. Another of these, discussed above, was to modernize the technology infrastructure of the University, particularly its academic, classroom and library facilities. To implement its Strategic Plan, the University developed a \$300 million Master Plan which provided for the construction of residence halls, a new dining facility, a church, a soccer stadium, new parking facilities and the enhancement of its academic facilities. The Master Plan projects were funded from a combination of fund-raising initiatives and capital financing.

Construction of the first phases of the Master Plan commenced in 1998. Phase I included three residence halls, a dining facility and a parking garage. All were completed in 1999 and the residence halls opened for students entering in the fall of that year. Two additional residence halls were opened for students entering in September 2000. The sixth residence hall was completed in the fall of 2002 and increased the resident student population to over 2,200. In the fall of 2004, the University completed the construction of the DaSilva Academic Center, a 40,000 square foot academic building on the Staten Island campus. Also, in 2004, the University completed the construction of St. Thomas More Church on the Queens campus. A gift of \$10 million was received from a major donor to finance the construction costs of the church. In 2005, the University completed the construction of the Taffner Field House, a 40,000 square foot athletic facility containing two basketball courts and office and recruiting space for the men's and women's basketball programs and two basketball courts and other recreation space for the general student population.

In 2005, the University Board of Trustees approved a new strategic plan. The plan outlined six academic and eight supporting priorities reflecting the University's ongoing commitment to attaining academic excellence, enhancing institutional reputation and preserving fiscal strength. Completed initiatives included: the development of an Institute for Writing Studies with Writing Centers at both Queens and Staten Island campuses to facilitate the improvement of writing skills; providing for the sciences, particularly a \$20 million renovation of St. Albert's Hall, the science building on the Queens campus; implementation of new in-house client clinics at the Law School; continuing to enhance residence capacity to meet demand including the construction of sixteen town homes adjacent to the existing residence halls, purchase of two off-campus apartment complexes near the Queens campus and the renovation of St. Vincent's Hall also on the Queens campus. To further increase housing capacity, the University entered into a long-term lease agreement for 478 beds in an apartment-style complex located near the Queens campus. The D'Angelo Center, a 127,000 square feet state-of-the-art academic building/student center, the capstone project of the Master Plan, opened in 2009; it became the hub for student activities and houses a recreation center, offices and meeting spaces as well as high tech classrooms, conference rooms and a full-service cafeteria and a café.

In 2009, the University Board of Trustees approved the 2008-2013 Strategic Plan. The focus and critical priority of this strategic planning cycle was to transform the institutional culture to one in which the quality of how we serve our students both in and out of the classroom is exceptional. The transformational elements of this change process hinged on three critical elements to be embedded in all aspects of the student experience: Mission, Engagement and Global Education. Technology has been integrated into these three priorities. In addition, the University began to study and address the very critical issues relating to sustainability and the environment. In 2011, the Strategic Plan was extended and repositioned to address: external challenges and implications; defining the value of a St. John's education; measuring and enhancing the value of a St. John's education; marketing the value of a St. John's education; and generating new and enhanced sources of revenues.

Governance

The University is governed by a self-perpetuating Board of Trustees whose membership shall not exceed 30. Presently the Board (excluding non-voting emeritus trustees) consists of 18 lay and 11 religious members, including the President of the University. The officers and current members of the Board of Trustees are as follows:

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Rev. Elmer Bauer III, C.M.
Provincial Treasurer
Eastern Province, Congregation
of the Mission
Philadelphia, PA

**Very Rev. Michael J. Carroll,
C.M.****
Provincial Superior
Eastern Province, Congregation
of the Mission
Philadelphia, PA

Patricia A. Castel, Esq.
Garden City, NY

Mr. William Collins
CEO and Chief Investment
Officer
Brencourt Advisors, LLC
New York, NY

**Rev. Gregory P. Cozzubbo,
C.M.**
Assistant Provincial
St. Vincent's Seminary
Philadelphia, PA

Mr. Peter P. D'Angelo*
President
Caxton Alternative Management,
L.P.
New York, NY

Mr. Paul J. Evanson
Retired Chairman, President and
Chief Executive Officer
Allegheny Energy
Greensburg, PA

**Dr. Margaret M. Fitzpatrick,
S.C.**
President
St. Thomas Aquinas College
Sparkill, NY

Rev. Msgr. Otto Garcia
Pastor
St. Joan of Arc Roman Catholic
Church
Jackson Heights, NY

Rev. John W. Gouldrick, C.M.
Assistant to President for
Mission
Niagara University
Niagara University, NY

Ms. Suzanne M. Halpin
Executive Vice President
Rubenstein Communications,
Inc.
New York, NY

**Rev. Donald J. Harrington,
C.M.**
President
St. John's University
Queens, New York

Mr. William Janetschek
Member/Chief Financial Officer
Kohlberg Kravis Roberts & Co.,
L.P.
New York, NY

Hon. Theodore T. Jones
Associate Judge
New York State Court of
Appeals
White Plains, NY

Sr. Carol Keehan, D.C.
President and Chief Executive
Officer
Catholic Health Association
Washington, DC

**Rev. Gerard H. Luttenberger,
C.M.**
Director of Formation and
Vocations,
Eastern Province, Congregation
of the Mission
Jamaica, NY

Teresa Mason, Esq.
VP for Health Policy
Novartis Pharmaceuticals
Corporation
East Hanover, NJ

Joseph M. Mattone, Sr., Esq.
Chairman and CEO
Mattone Group Company, L.L.C.
College Point, NY

Mr. Thomas E. McInerney
Chief Executive Officer
Bluff Point Associates
Westport, CT

Arthur J. Mirante II, Esq.
Principal and President of Tri-
State
Avison Young
New York, NY

**Most Rev. David M.
O'Connell, C.M.**
Bishop
Diocese of Trenton
Trenton, NJ

Mr. Joseph C. O'Connor
Portfolio Manager
Guggenheim Investments
Irvington, NY

Rev. Hugh O'Donnell, C.M.
Member of the Chinese Province,
Congregation of the Mission
Chicago, IL

Mr. Lewis Rice, Jr.
Vice President of Global Security
and Trademark Protection
Estee Lauder Companies, Inc.
New York, NY

Ms. Linda S. Sanford***
Senior Vice President, Enterprise
Transformation
IBM Corporation
Somers, NY

Mr. Joseph H. Schwartz
Retired Partner
Wellington Management
Company, LLP
Boston, MA

Mr. Brian T. Shea
Chief Executive Officer
Pershing
Jersey City, NJ

Ms. Patricia C. Skarulis
Vice President and Chief
Information Officer
Memorial Sloan-Kettering
Cancer Center
New York, NY

Mrs. Mary Tobin
Denville, NJ

*Chairman of the Board

**Vice Chairman of the Board

***Secretary of the Board

Administration

The President of the University is appointed by the Board of Trustees, and as Chief Executive Officer, is charged with the principal responsibility for administration of the University. The Board of Trustees appoints or elects, on nomination or recommendation of the President, various other principal administrative officers of the University. The University's principal administrative officers include:

Rev. Donald J. Harrington, C.M.	President
Martha K. Hirst.....	Executive Vice President, Chief Operating Officer and Treasurer
Robert A. Mangione, Ed.D., R.Ph.	Interim Provost
Rev. James Maher, C.M.	Executive Vice President for Mission and Student Services
Dr. Dorothy E. Habben.....	Vice President and Secretary of the University
Joseph E. Oliva, Esq.	General Counsel

OPERATING INFORMATION

Student Admissions

The University seeks to enroll students with the potential to succeed in a demanding academic program. With the successful introduction of residence halls, the University has experienced burgeoning growth in both national and international enrollment. In the fall 2011 freshman class, some 40 states, and 35 countries were represented.

Listed below are the number of applications received for freshman admission to the University together with the number of those applications accepted by the University and the number of admittees who ultimately enrolled for both the four-year and two-year programs at the University. Increased selectivity noted below has helped to raise the mean SAT score of the University's standard admitted students from 1075 in the fall of 2007 to 1087 in the fall of 2011, an increase of 12 points. In efforts to increase quality, the University has increased conversion of top applicants and increased the number of acceptances offered.

Freshman Admission Statistics

<u>Academic Year</u>	<u>Applications</u>	<u>Acceptances</u>	<u>Percent Accepted</u>	<u>New Enrollment</u>	<u>Matriculation Yield</u>
2007-08	27,754	15,410	55.5%	3,162	20.5%
2008-09	40,970	18,670	45.6%	3,268	17.5%
2009-10	52,980	22,788	43.0%	3,108	13.6%
2010-11	54,871	24,993	45.5%	3,117	12.5%
2011-12	52,972	25,998	49.1%	2,763	10.6%

External transfer enrollment has trended upwards from 410 students in fall 2007 to 608 students in fall 2011.

Student Enrollment

Enrollment trends over the academic years commencing fall 2007 through fall 2010 reflect stable student headcounts in all areas of the University. The University saw a decrease in fall 2011 due to a declining number of high school graduates in its primary market, consisting of the five boroughs of New York City and Nassau County, and the impact of the lingering recession. To respond to these challenges, the University proactively manages institutional financial aid to stabilize primary market enrollment, grow enrollment from the secondary market and achieve sufficient net tuition revenues to support operations. The University's enrollment during the five academic years commencing fall 2007 through fall 2011, based on fall registration figures, is outlined below together with total headcount enrollment and full-time equivalent ("FTE") totals.

Enrollment Summary

<u>Academic Year</u>	<u>Full-Time</u>		<u>Part-Time</u>		<u>Headcount</u>	<u>Total FTE</u>
	<u>Undergraduate</u>	<u>Graduate</u>	<u>Undergraduate</u>	<u>Graduate</u>		
2007-08	11,763	2,064	3,035	3,224	20,086	16,559
2008-09	12,029	1,996	2,787	3,297	20,109	16,775
2009-10	11,824	3,000	2,984	2,544	20,352	17,595
2010-11	11,803	3,139	3,917	2,495	21,354	18,083
2011-12	11,440	2,984	4,326	2,317	21,067	17,471

The following table lists the number of degrees conferred for the five academic years commencing fall 2007 through fall 2011.

Degrees Conferred

<u>Academic Year</u>	<u>Total</u>
2007-08	3,925
2008-09	4,036
2009-10	4,225
2010-11	4,299
2011-12	4,553

Tuition and Fees

For the 2012-13 academic year, full-time tuition and fees total \$35,520. Tuition and fees for the academic years commencing fall 2008 through fall 2012 are listed below:

Full-Time Undergraduate Tuition and Fee Charges

<u>Academic Year</u>	<u>Tuition & Fee Charges</u>
2008-09	\$28,790
2009-10	30,040
2010-11	31,980
2011-12	33,875
2012-13	35,520

Student Financial Aid

The University administers a financial aid program under which nearly 89% of all enrolled students received financial assistance in some form through the University during the 2011-12 academic year. A summary of the funds provided for financial aid and their source for the five academic years commencing fall 2007 through fall 2011 is as follows:

Sources of Scholarship and Grant Aid

<u>Academic Year</u>	<u>University Grants</u>	<u>State Grants</u>	<u>Federal Grants</u>	<u>Outside Awards</u>	<u>Private Loans</u>	<u>Total</u>
2007-08	139,583,162	17,644,988	137,933,339	9,610,852	34,002,236	338,774,577
2008-09	156,425,994	17,213,311	154,851,797	9,434,438	26,915,502	364,841,042
2009-10	172,169,011	16,324,816	188,419,882	9,166,350	21,145,362	407,225,421
2010-11	181,879,792	15,433,193	210,197,376	12,349,316	18,900,796	438,760,473
2011-12	185,243,754	14,189,106	219,815,016	12,630,296	20,243,839	452,122,011

The University's students benefit from numerous scholarship and financial aid programs. In addition, the University participates in various federal and state programs providing aid to individual students. The federal programs include the Perkins Loan program, Federal Direct Student Loan Program, Supplemental Educational Opportunity Grant, Pell Grant, College Work-Study, Health Professions Loan Program and the Teach Grant. State programs include Tuition Assistance Program, and various other New York State sponsored and administered scholarship programs.

Faculty

Total faculty members employed by the University during the 2011-12 academic year numbered 1,513, of whom 649 served full-time. Of the permanent full-time faculty members, 68.9% hold tenure. The majority of the University's full-time faculty is appointed within one of the four principal academic ranks: Professor, Associate Professor, Assistant Professor and Instructor.

The following table sets forth the faculty profile for the five academic years commencing fall 2007 through fall 2011.

Faculty Profile

Academic Year	Full-time Faculty	Part-time Faculty	Total Faculty	Full-Time Equivalent Faculty	Percent of Full-Time Faculty Tenured
2007-08	680	828	1,508	995	67.2%
2008-09	696	824	1,520	1,015	65.8%
2009-10	690	776	1,466	974	67.2%
2010-11	648	794	1,442	958	68.4%
2011-12	649	864	1,513	995	68.9%

Employee Relations

The University has satisfactory labor relations. The full-time and adjunct faculty at the University (other than those in its non-unionized School of Law) are jointly represented by the St. John's Chapter of the American Association of University Professors and the Faculty Association (jointly referred to as "AAUP/FA"). The University has had a series of collective bargaining agreements in effect with the AAUP/FA. In 2012, the University and AAUP/FA executed a new agreement which will expire in June 2014.

ANNUAL FINANCIAL STATEMENT INFORMATION

Summary of Statements of Activities

The following table summarizes the changes in the University's unrestricted, temporarily restricted and permanently restricted net assets for the fiscal years ended May 31, 2008 through 2012.

(000's)	Summary Statements of Activities				
	Fiscal Years Ended May 31,				
	2008	2009	2010	2011	2012
Changes in unrestricted net assets:					
Operating Revenues:					
Tuition and fees, net of scholarship allowances	\$298,287	\$315,712	\$317,995	\$338,339	\$350,263
Investment return utilized					
Endowment	15,657	13,512	13,503	11,419	12,565
Other	8,305	2,939	868	18	20
Private gifts, grants and contracts	12,056	11,165	10,116	9,457	12,811
Government grants and contracts	14,156	16,223	26,341	14,562	13,820
Auxiliary enterprises	43,129	50,285	55,364	61,016	66,189
Other revenues	8,806	8,881	9,772	10,103	10,121
Net assets released from restrictions	5,527	10,129	6,858	4,951	5,755
Total operating revenues	405,923	428,846	440,817	449,865	471,544
Operating Expenses:					
Instruction	153,273	158,957	164,046	160,361	168,801
Research	8,153	9,242	8,866	7,652	7,314
Academic support	53,679	60,861	62,416	59,464	63,056
Student services	42,181	43,249	45,182	42,540	43,004
Institutional support	80,644	83,680	78,281	77,603	82,478
Auxiliary enterprises	60,780	63,972	68,649	68,789	72,469
Total operating expenses	398,710	419,961	427,440	416,409	437,122
Excess of operating revenues over operating expenses	7,213	8,885	13,377	33,456	34,422
Nonoperating activities:					
Investment return in excess of (less than) amount utilized in operations	(19,843)	(112,287)	21,958	32,426	(22,854)
Change in fair value of interest rate swap	(1,488)	(3,295)	1,344	438	(6,187)
Effect of advance refunding of long-term debt	-	(5,154)	-	-	-
Voluntary separation offer charge	-	(2,398)	(37,260)	-	-
Net assets reclassified	-	2,519	90	(7,530)	-

Summary Statements of Activities (cont.)

(000's)

	Fiscal Years Ended May 31,				
	2008	2009	2010	2011	2012
Increase (decrease) in unrestricted net assets	(14,118)	(111,730)	(491)	58,790	5,381
Changes in temporarily restricted net assets:					
Investment return	1,193	(915)	1,352	13,569	(3,249)
Private gifts, grants and contracts	7,661	5,660	4,805	4,022	2,841
Net assets released from restrictions and reclassified	(5,528)	(12,648)	(6,948)	2,579	(5,755)
Adjustment to contributions receivable	(142)	(1,149)	(1,688)	-	-
Increase (decrease) in temporarily restricted net assets	3,184	(9,052)	(2,479)	20,170	(6,163)
Changes in permanently restricted net assets:					
Private gifts, grants and contracts	4,137	4,950	4,939	3,749	3,636
Adjustment to contributions receivable	(4)	(26)	(17)	-	-
Increase in permanently restricted net assets	4,133	4,924	4,922	3,749	3,636
Increase (decrease) in net assets	(6,801)	(115,858)	1,952	82,709	2,854
Net assets at beginning of period	467,758	460,957	345,099	347,051	429,760
Net assets at end of period	<u>\$460,957</u>	<u>\$345,099</u>	<u>\$347,051</u>	<u>\$429,760</u>	<u>\$432,614</u>

See the University's consolidated financial statements and the accompanying notes thereto included in Appendix B.

Fund Raising

The following table shows the amounts received by the University as private gifts, grants and contracts over the fiscal years ended May 31, 2007 through 2012, as reported in the audited consolidated financial statements of the University for such years:

Period	Total
Year ended May 31, 2008	\$23,853,367
Year ended May 31, 2009	21,775,417
Year ended May 31, 2010	19,859,822
Year ended May 31, 2011	17,227,557
Year ended May 31, 2012	19,288,065

Investments

The University pools available resources for investment purposes on an institution-wide basis. Such resources are managed by external professional managers who are selected and monitored by the Investment Committee of the Board of Trustees. As of May 31, 2012 and May 31, 2011, the total fair value of investments was \$327.9 million and \$313.6 million, respectively.

The following table shows the fair market value of the University's investment portfolio as of the fiscal years ended May 31, 2008 to 2012, as reported in the audited consolidated financial statements of the University for such years:

Fair Market Value of Investment Portfolio

<u>Date</u>	<u>Total</u>
May 31, 2008	\$329,202,441
May 31, 2009	233,804,007
May 31, 2010	262,195,043
May 31, 2011	313,565,230
May 31, 2012	327,915,262

Plant Facilities

The book values of the University's plant facilities and accumulated depreciation as of May 31, 2008 through 2012 was as follows:

Net Book Value of Plant Assets (000's)

	<u>As of May 31,</u>				
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Land and site improvements	\$ 80,878	\$ 81,898	\$ 84,249	\$ 86,704	\$ 87,595
Transferable development rights.....	12,886	12,886	12,886	12,886	12,886
Building and improvements including					
construction in progress	585,036	664,790	702,942	717,824	735,609
Furniture and equipment	79,532	88,696	92,781	62,548	65,197
Accumulated depreciation	(219,956)	(243,139)	(267,389)	(258,468)	(281,486)
Net book value.....	<u>\$ 538,376</u>	<u>\$ 605,131</u>	<u>\$ 625,469</u>	<u>\$ 621,494</u>	<u>\$ 619,801</u>

The University currently insures its buildings and contents at the Queens, Staten Island, Manhattan and Oakdale campuses, exclusive of land and building foundations, under blanket insurance policies in the total amount of \$1,000,000,000. Such insurance is based on the estimated total replacement value of all buildings and contents.

Outstanding Indebtedness

The table below outlines the outstanding long-term debt of the University as of the end of its fiscal year ended May 31, 2012. At May 31, 2012, the University's outstanding long-term debt was \$516,412,714.

Outstanding Indebtedness as of May 31, 2012

	<u>Interest Rate</u>	<u>Final Maturity Date in Fiscal Year ended May 31</u>	<u>Outstanding Balance</u>
Dormitory Authority of the State of New York St. John's University Insured Revenue Bonds, Series 1998 ⁽¹⁾	4.75% (net of unamortized original issue discount of \$216,669)	2029	\$34,068,331
Dormitory Authority of the State of New York St. John's University Insured Revenue Bonds, Series 2001A ⁽¹⁾	5.000% to 5.125% (net of unamortized original issue discount of \$18,854)	2019	9,961,146
Dormitory Authority of the State of New York St. John's University Insured Revenue Bonds, Series 2005A ⁽¹⁾	3.5% to 5.0% (net of unamortized premium of \$379,000)	2024	17,379,000
Dormitory Authority of the State of New York St. John's University Insured Revenue Bonds, Series 2007A ⁽²⁾	5.0% to 5.25% (net of unamortized premium of \$5,911,783)	2038	119,911,783
Dormitory Authority of the State of New York St. John's University Insured Revenue Bonds, Series 2007C ⁽²⁾	4.0% to 5.25% (net of unamortized premium of \$7,042,037)	2031	121,477,037
Dormitory Authority of the State of New York St. John's University Insured Revenue Bonds, Series 2008A ⁽³⁾	Variable Rate – 5/31/12 rate was 0.17%	2031	53,175,000
Dormitory Authority of the State of New York St. John's University Insured Revenue Bonds, Series 2008B-1	Variable Rate – 5/31/12 rate was 0.23%	2035	66,575,000
Dormitory Authority of the State of New York St. John's University Insured Revenue Bonds, Series 2008B-2	Variable Rate – 5/31/12 rate was .22%	2038	67,760,000
Obligations under capital leases	1.62% to 3.92%	due in monthly installments through 2023	26,105,417
Total Indebtedness			<u>\$ 516,412,714</u>

(1) This debt was refunded with the proceeds of the Series 2012A Bonds and is no longer outstanding.

(2) The security interest in certain revenues granted by the University in connection with this indebtedness constitutes an existing pledge with respect to the security interest in the Pledged Revenues granted in connection with the Series 2012 Bonds.

(3) This debt was refunded with the proceeds of the Series 2012B Bonds and is no longer outstanding.

See Note 7 to the University's audited consolidated financial statements included in Appendix B hereto for a more detailed discussion of the indebtedness at May 31, 2012 set forth above.

The University entered into an interest rate swap agreement with a notional amount of \$58,400,000 to mitigate interest rate risk associated with a portion of the University's variable rate debt. Under the terms of the agreement, as amended, the University pays a fixed rate of 3.30% and receives 64.2% of the 10-year International Swap Dealers Association (ISDA) rate on the notional amount (\$56,200,000 at May 31, 2012). At May 31, 2012 and 2011, the fair value of the interest rate swap was a liability of \$6,611,978 and \$425,258, respectively.

The University has entered into multiple master lease and sublease agreements and associated lease schedules under the Dormitory Authority's Tax Exempt Equipment Leasing Program (TELP). Pursuant to the agreements, the University borrowed an aggregate of \$43,996,665 (including \$13,000,000 in fiscal year 2012) to fund the purchase of energy efficient equipment and to replace and upgrade various technology equipment. Each lease schedule is collateralized by the equipment financed by the schedule. Each lease schedule requires payments in equal monthly installments, including interest. As of May 31, 2012, the University had aggregate monthly lease payments of approximately \$701,115. The lease schedules have various expiration dates extending through August 10, 2023 and interest rates ranging from 1.62% to 3.92%.

In August 2012, the Dormitory Authority of the State of New York issued its St. John's University Revenue Bonds, Series 2012A (the "Series 2012A Bonds") in the par amount of \$48,460,000 and its St. John's University Revenue Bonds, Series 2012B (the "Series 2012B Bonds") in the par amount of \$43,930,000, both for the benefit of the University. Proceeds of the Series 2012A Bonds were used to refund the Series 1998 Bonds, Series 2001A Bonds and Series 2005A Bonds. Proceeds of the Series 2012B Bonds were used to refund the Series 2008A Bonds.

In addition to the outstanding indebtedness described above, on October 1, 2012 the University entered into a Lease and Sublease Agreement with Banc of America Public Capital Corp. and the Authority under the Authority's Tax-Exempt Leasing Program. Pursuant to this agreement, the University borrowed \$9,300,000 to fund the purchase, replacement and upgrade of certain technology equipment. The lease obligation carries interest at 1.35% is collateralized by the equipment, and is payable in 72 equal monthly installments, including interest, of \$134,541 beginning November 1, 2012.

Pension Plans and Other Benefits

The University has defined contribution retirement plans covering substantially all academic and nonacademic personnel. Pension costs for the fiscal year ended May 31, 2012 were approximately \$12,986,000.

In addition, the University offers health and life insurance coverage to retired employees and their dependents. The cost of such benefits is paid for by the retirees.

Litigation and Other Matters

Litigation incidental to the normal operation of the University is pending against the University. While the ultimate liability, if any, of the University is not presently determinable, the University believes it has adequate defenses. Such litigation is, to a great extent, covered by insurance. The pending litigation, in the aggregate, is not expected to have a material adverse effect on the University's financial position.

PART 6 - BONDHOLDERS' RISKS

The following is a discussion of certain risks that could affect payments to be made with respect to the Series 2008B-2 Bonds. Such discussion is not exhaustive, should be read in conjunction with all other parts of this Reoffering Circular and should not be considered as a complete description of all risks that could affect such payments. Prospective purchasers of the Series 2008B-2 Bonds should analyze carefully the information contained in this Reoffering Circular, including the appendices hereto, and additional information in the form of the complete documents summarized herein, copies of which are available as described in this Reoffering Circular.

General

The Series 2008B-2 Bonds are payable from payments to be made by the University under the Loan Agreement. The ability of the University to comply with its obligations under the Loan Agreement depends primarily upon the

ability of the University to continue to attract sufficient tuition-paying students to its educational programs, to obtain sufficient revenues from related activities and to maintain sufficient creditworthiness. The University expects that revenues derived from its ongoing operations, together with other available resources, will at all times be sufficient to make the required payments on the Loan Agreement and the University will covenant under the Loan Agreement to make all such payments when due. There are certain risks, however, which might prevent the University from obtaining sufficient revenues from tuition and other sources to meet all of its obligations, including its obligations under the Loan Agreement. Purchasers of the Series 2008B-2 Bonds should bear in mind that the occurrence of any number of events could adversely affect the ability of the University to generate such revenues. Future economic, demographic and other conditions, including the demand for educational services, the ability of the University to provide the services required by students, economic developments in the Queens, New York area and competition from other educational institutions, together with changes in costs, may adversely affect revenues and expenses and, consequently, the ability of the University to provide for payments. The future financial condition of the University could also be adversely affected by, among other things, legislation and regulatory actions, and a number of other conditions which are unpredictable.

Financial Assistance

The amount of available financial assistance is a significant factor in the decision of many students to attend a particular college or university. During the 2011-2012 academic year, approximately 89% of the University's enrolled students receive some form of financial assistance through the University. The level of financial assistance is directly affected by funding levels of federal, state and other financial aid programs. Any significant reduction in the level of financial assistance offered to prospective students could reduce the number of students enrolling at the University.

Investment Income

The University's investment program for endowment and similar funds operates under an investment policy statement and guidelines established by the Board, which delegates direct oversight for the investment program to the Investment Committee of the Board. The consolidated endowment pool is managed by external money managers appointed for the purpose by the Investment Committee. Although the unrestricted portion of the University's endowment funds and the payout therefrom are available for debt service payments on the Series 2008B-2 Bonds, no assurance can be given that unforeseen developments in the securities markets will not have an adverse effect on the market value of those investments and the income generated therefrom.

Fund Raising

The University raises funds to finance its operations and capital development programs from a variety of benefactors. Although it plans to continue those efforts in the future, there can be no assurance that those efforts will be successful. Such efforts may be adversely affected by a number of factors, including general economic conditions and tax law changes affecting the deductibility of charitable contributions.

Government Funding

The federal and state governments provide funding to support education, including tuition assistance. These sources of funding and the governmental programs that support them have been and will continue to be subject to modification and revision due to state and federal policy decisions, legislative action and government funding limitations. The financial condition of the University could be adversely affected by these actions and the ability of the University to maintain its creditworthiness will be based on its ability to successfully manage the outcome of any such actions.

Risks as Employer

The University is a major employer, combining a complex mix of tenured and untenured full-time faculty, part-time faculty, technical and clerical support staff and other types of workers in a single operation. As with all large employers, the University bears a wide variety of risks in connection with its employees. These risks include discrimination claims, personal tort actions, work-related injuries, exposure to hazardous materials, interpersonal torts (such as between employees or between employees and students) and other risks that may flow from the

relationships between employer and employee or between students and employees. Certain of these risks are not covered by insurance, and certain of them cannot be anticipated or prevented in advance.

Changes in Law

Changes in law may impose new or added financial or other burdens on the operations of the University. Developments may include: (i) legislative or regulatory requirements for maintaining status as an organization exempt from taxation as described in Section 501(c)(3) of the Code; or (ii) challenges to State and local exemptions from real property tax and other taxes. It is not possible to predict the scope or effect of future legislative or regulatory actions with respect to taxation of not-for-profit corporations. There can be no assurance that future changes in the laws and regulations will not materially adversely affect the operations and financial condition of the University by requiring it to pay income or real property taxes (or other *ad valorem* taxes).

Tax-Exempt Status Change

Loss of tax-exempt status by the University could result in loss of tax exemption of interest on the Series 2008B-2 Bonds and defaults in covenants regarding the Series 2008B-2 Bonds and other related tax-exempt debt would likely be triggered. However, loss of tax-exempt status by the University would not cause a mandatory redemption or acceleration on the Series 2008B-2 Bonds nor would it cause a change in the interest rates on the Series 2008B-2 Bonds. The maintenance by the University of its Section 501(c)(3) tax-exempt status depends, in part, upon compliance with general rules in the Code and related United States Treasury regulations regarding the organization and operation of tax-exempt entities, including their operation for charitable and educational purposes and their avoidance of transactions that may cause their assets to inure to the benefit of private individuals.

Additional Bonds

Additional Bonds may be issued under the Resolution and secured on a parity with the Series 2008B-2 Bonds subject to compliance with the conditions contained in the Loan Agreement. See “Appendix C - Summary of Certain Provisions of the Loan Agreement” and “Appendix D - Summary of Certain Provisions of the Resolution.”

Additional Indebtedness

The University may issue, incur or assume additional indebtedness without limitation, subject to compliance with the conditions contained in the Loan Agreement and the Intercreditor Agreement and Reimbursement Agreement. See “PART 2 - SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2008B-2 BONDS - Financial Covenants” and “Appendix C - Summary of Certain Provisions of the Loan Agreement.” With the Authority’s prior written consent, such Indebtedness may be secured by liens on the Pledged Revenues or the Mortgaged Property or both that are either subordinate to or of equal priority with the liens thereon securing the University’s obligations under the Loan Agreement. In addition, any such Indebtedness may be secured by a mortgage on or security interest in property not now securing the Loan Agreement of the University without granting to the Authority any security interest in such property to secure the University’s obligations under the Loan Agreement. In the event of a default under any debt instrument secured by such property, the holder or trustee under such debt instrument will have the right to foreclose the lien on such property, other than the Pledged Revenues or the Mortgaged Property, and apply the money so collected to the payment of amounts due under such debt instrument. Any money so collected and applied will not be available for satisfying any of the University’s obligations under the Loan Agreement.

Certain Matters Relating to Enforceability of the Resolution and Loan Agreement

The obligation of the University to make payments on the Loan Agreement will be limited as the obligations of debtors typically are affected by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar laws or by equitable principles affecting the enforcement of creditors’ rights. If the University filed for the reduction of its debts in a proceeding under the federal Bankruptcy Code, the court could approve provisions modifying, eliminating or altering the rights of creditors generally, or any class of them, secured or unsecured. If the University should file a plan of reorganization (“Plan”), when confirmed by the court, such Plan binds all creditors who had notice or knowledge of the Plan and discharges all claims against the debtor as provided for in the Plan. No Plan may be confirmed unless certain conditions are met, among which are that the Plan is in the best interests of

creditors, is feasible and has been accepted by each class of claims impaired thereunder. Each class of claims has accepted the Plan if at least two-thirds in dollar amount and more than one-half in number of the allowed claims of the class that are voted with respect to the Plan are cast in its favor. Even if the Plan is not so accepted, it may be confirmed if the court finds that the Plan is fair and equitable with respect to each class of non-accepting creditors impaired thereunder and does not discriminate unfairly.

In addition, there exists common law authority and authority under State statutes for the ability of the State courts to terminate the existence of a not-for-profit corporation or undertake supervision of its affairs on various grounds, including a finding that such corporation has insufficient assets to carry out its stated charitable purposes or has taken some action which renders it unable to carry out such purposes. Such court action may arise on the court's own motion or pursuant to a petition of the State Attorney General or such other persons who have interests different from those of the general public, pursuant to the common law and statutory power to enforce charitable trusts and to see to the application of their funds to their intended charitable uses.

Secondary Market for the Series 2008B-2 Bonds

There can be no assurance that there will be a secondary market for purchase or sale of the Series 2008B-2 Bonds. From time to time there may be no market for the Series 2008B-2 Bonds depending upon prevailing market conditions, including the financial condition or market position of firms who may make the secondary market, the evaluation of the University's capabilities and the financial condition and results of operations of the University.

PART 7 - PLAN OF REMARKETING AND FINANCE

All of the Outstanding Series 2008B-2 Bonds will be remarketed on the Tender Date. The Series 2008B-2 Bonds are being reoffered in connection with the substitution of the Existing Letter of Credit with the Substitute Letter of Credit.

The Series 2008B-2 Bonds currently bear interest at the Weekly Rate. The Series 2008B-2 Bonds will be subject to mandatory tender for purchase as provided herein on the effective date of any change in interest rate determination method. This Reoffering Circular describes the Series 2008B-2 Bonds only while bearing interest at a Weekly Rate.

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 September 30, 2012, the Authority had approximately \$46 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 September 30, 2012 were as follows:

Public Programs	Bonds Issued	Bonds Outstanding	Notes Outstanding	Bonds and Notes Outstanding
State University of New York Dormitory Facilities.....	\$ 2,973,376,000	\$ 1,546,315,000	\$ 0	\$ 1,546,315,000
State University of New York Educational and Athletic Facilities.....	16,765,662,999	7,139,229,207	0	7,139,229,207
Upstate Community Colleges of the State University of New York.....	1,644,630,000	647,385,000	0	647,385,000
Senior Colleges of the City University of New York.....	11,488,156,762	3,899,363,213	0	3,899,363,213
Community Colleges of the City University of New York.....	2,658,613,350	581,786,787	0	581,786,787
BOCES and School Districts.....	3,504,056,208	2,532,440,000	0	2,532,440,000
Judicial Facilities.....	2,161,277,717	637,947,717	0	637,947,717
New York State Departments of Health and Education and Other.....	9,336,660,000	6,647,410,000	0	6,647,410,000
Mental Health Services Facilities.....	8,662,585,000	4,009,210,000	0	4,009,210,000
New York State Taxable Pension Bonds.....	773,475,000	0	0	0
Municipal Health Facilities Improvement Program.....	<u>1,146,845,000</u>	<u>717,200,000</u>	<u>0</u>	<u>717,200,000</u>
Totals Public Programs.....	<u>\$ 61,115,338,036</u>	<u>\$ 28,358,286,924</u>	<u>\$ 0</u>	<u>\$ 28,358,286,924</u>

Non-Public Programs	Bonds Issued	Bonds Outstanding	Notes Outstanding	Bonds and Notes Outstanding
Independent Colleges, Universities and Other Institutions.....	\$ 21,385,814,952	\$ 10,564,624,324	\$ 70,895,000	\$ 10,635,519,324
Voluntary Non-Profit Hospitals.....	15,487,504,309	6,763,085,000	0	6,763,085,000
Facilities for the Aged.....	2,090,355,000	536,280,000	0	536,280,000
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>\$ 39,058,674,261</u>	<u>\$ 17,863,989,324</u>	<u>\$ 70,895,000</u>	<u>\$ 17,934,884,324</u>
Grand Totals Bonds and Notes.....	<u>\$ 100,174,012,297</u>	<u>\$ 46,222,276,248</u>	<u>\$ 70,895,000</u>	<u>\$ 46,293,171,248</u>

Outstanding Indebtedness of the Agency Assumed by the Authority

At September 30, 2012, the Agency had approximately \$163 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 September 30, 2012 were as follows:

Public Programs	Bonds Issued	Bonds Outstanding
Mental Health Services Improvement Facilities.....	<u>\$ 3,817,230,725</u>	<u>\$ 0</u>
Non-Public Programs	Bonds Issued	Bonds Outstanding
Hospital and Nursing Home Project Bond Program.....	\$ 226,230,000	\$ 2,035,000
Insured Mortgage Programs.....	6,625,079,927	158,710,000
Revenue Bonds, Secured Loan and Other Programs.....	<u>2,414,240,000</u>	<u>2,790,000</u>
Total Non-Public Programs.....	<u>\$ 9,265,549,927</u>	<u>\$ 163,535,000</u>
Total MCFFA Outstanding Debt.....	<u>\$ 13,082,780,652</u>	<u>\$ 163,535,000</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 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., *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, 2013.

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, 2013.

JACQUES JIHA, Ph.D., *Secretary*, Woodbury.

Jacques Jiha was appointed as a Member of the Authority by the Governor on December 15, 2008. Mr. Jiha is the Executive Vice President/Chief Operating Officer & Chief Financial Officer of Earl G. Graves, Ltd/Black Enterprise, a multi-media company with properties in print, digital media, television, events and the internet. He is a member of the Investment Advisory Committee of the New York Common Retirement Fund and a member of the Board of Directors at Ronald McDonald House of New York. Previously, Mr. Jiha served as Deputy Comptroller

for Pension Investment and Public Finance in the Office of the New York State Comptroller. As the state's chief investment officer, he managed the assets of the NY Common Retirement Fund, valued at \$120 billion, and was also in charge of all activities related to the issuance of New York State general obligation bonds, bond anticipation notes, tax and revenue anticipation notes, and certificates of participation. Mr. Jiha was the Co-Executive Director of the New York State Local Government Assistance Corporation (LGAC) in charge of the sale of refunding bonds, the ratification of swap agreements, and the selection of financial advisors and underwriters. 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. Earlier, Mr. Jiha 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 expired on March 31, 2011 and by law he continues to serve until a successor shall be chosen and qualified.

TIM C. LOFTIS, Esq., Buffalo.

Tim Loftis was appointed as a Member of the Authority by the Governor on June 20, 2012. Mr. Loftis is a partner in the Business and Corporate practice group of the law firm Jaeckle Fleischmann & Mugel, LLP. He has experience in business and corporate matters with an emphasis on transactional matters, including domestic and international mergers and acquisitions as well as complex commercial financing transactions. Mr. Loftis is Chair of the Board of Directors of the Buffalo Niagara Partnership. He is admitted to practice law in the State of New York and the U.S. District Court for the Western District of New York. Mr. Loftis holds a Bachelors of Arts degree from the State University of New York at Buffalo and a Juris Doctor degree from Georgetown University Law Center. His term expires on March 31, 2015.

BERYL L. SNYDER, J.D., New York.

Ms. Snyder was appointed as a member of the Authority by the Governor on June 15, 2011. She is currently a principal in HBJ Investments, LLC, an investment company where her duties include evaluation and analysis of a wide variety of investments in, among other areas: fixed income, equities, alternative investments and early stage companies. Previously, she was Vice President, General Counsel and a Director of Biocraft Laboratories, Inc. and a Director of Teva Pharmaceuticals. Ms. Snyder serves as a Board member of the Beatrice Snyder Foundation, the Roundabout Theater, the Advisory Committee of the Hospital of Joint Diseases and the Optometric Center of New York, where she also serves on the Investment Committee. She holds a Bachelor of Arts degree in History from Vassar College and a Juris Doctor degree from Rutgers University. Her current term expires on August 31, 2013.

SANDRA M. SHAPARD, Delmar.

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

GERARD ROMSKI, Esq., Mount Kisco.

Mr. Romski was appointed as a Member of the Authority by the Temporary President of the State Senate on June 8, 2009. He is Counsel and Project Executive for "Arverne By The Sea," where he is responsible for advancing and overseeing all facets of "Arverne by the Sea," one of New York City's largest mixed-use developments located in Queens, NY. Mr. Romski is also of counsel to the New York City law firm of Bauman, Katz and Grill LLP. He formerly was a partner in the law firm of Ross & Cohen, LLP (now merged with Duane Morris, LLP) for twelve years, handling all aspects of real estate and construction law for various clients. He

previously served as Assistant Division Chief for the New York City Law Department's Real Estate Litigation Division where he managed all aspects of litigation arising from real property owned by The City of New York. Mr. Romski is a member of the Urban Land Institute, Council of Development Finance Agencies, the New York State Bar Association, American Bar Association and New York City Bar Association. He previously served as a member of the New York City Congestion Mitigation Commission and the Board of Directors for the Bronx Red Cross. Mr. Romski holds a Bachelor of Arts degree from the New York Institute of Technology and a Juris Doctor degree from Brooklyn Law School.

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

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

JOHN B. KING, JR., J.D., Ed.D., *Commissioner of Education of the State of New York*, Slingerlands; *ex-officio*.

Dr. John B. King, Jr., was appointed by the Board of Regents to serve as President of the University of the State of New York and Commissioner of Education on July 15, 2011. As Commissioner of Education, Dr. King serves as chief executive officer of the State Education Department and as President of the University of the State of New York, which is comprised of public and non-public elementary and secondary schools, public and independent colleges and universities, libraries, museums, broadcasting facilities, historical repositories, proprietary schools and services for children and adults with disabilities. Dr. King is also responsible for licensing, practice and oversight of numerous professions. Dr. King previously served as Senior Deputy Commissioner for P-12 Education at the New York State Education Department. Prior thereto, Dr. King served as a Managing Director with Uncommon Schools. Prior to this, Dr. King was Co-Founder and Co-Director for Curriculum & Instruction of Roxbury Preparatory Charter School and prior to that, Dr. King was a teacher in San Juan, Puerto Rico and Boston, Massachusetts. He holds a Bachelor of Arts degree in Government from Harvard University, a Master of Arts degree in Teaching of Social Studies from Teachers College, Columbia University, a Juris Doctor degree from Yale Law School and a Doctor of Education degree in Educational Administrative Practice from Teachers College, Columbia University.

NIRAV R. SHAH, M.D., M.P.H., *Commissioner of Health*, Albany; *ex-officio*.

Nirav R. Shah, M.D., M.P.H., was appointed Commissioner of Health on January 24, 2011. Prior to his appointment he served as Attending Physician at Bellevue Hospital Center, Associate Investigator at the Geisinger Center for Health Research in central Pennsylvania, and Assistant Professor of Medicine at the NYU Langone Medical Center. Dr. Shah is an expert in use of systems-based methods, a leading researcher in use of large scale clinical laboratories and electronic health records and he has served on the editorial boards of various medical journals. He is a graduate of Harvard College, received his medical and master of public health degrees from Yale School of Medicine, was a Robert Wood Johnson Clinical Scholar at UCLA and a National Research Service Award Fellow at NYU.

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

Mr. Megna was appointed Budget Director on June 15, 2009. He is responsible for the overall development and management of the State's fiscal policy, including overseeing the preparation of budget recommendations for all State agencies and programs, economic and revenue forecasting, tax policy, fiscal planning, capital financing and management of the State's debt portfolio, as well as pensions and employee benefits. Mr. Megna previously served as Commissioner of the New York State Department of Taxation and Finance, responsible for overseeing the collection and accounting of more than \$90 billion in State and local taxes, the administration of State and local taxes, including New York City and the City of Yonkers income taxes and the processing of tax returns, registrations and associated documents. Prior to this he served as head of the Economic and Revenue Unit of the New York State Division of the Budget where he was responsible for State Budget revenue projections and the development and monitoring of the State Financial Plan. Mr. Megna was Assistant Commissioner for Tax Policy for the Commonwealth of Virginia. He also served as Director of Tax Studies for the New York State Department

of Taxation and Finance and as Deputy Director of Fiscal Studies for the Ways and Means Committee of the New York State Assembly. Mr. Megna was also an economist for AT&T. He holds Masters degrees in Public Policy from Fordham University and Economics from the London School of Economics.

The principal staff of the Authority is as follows:

PAUL T. WILLIAMS, JR. is the President and chief executive 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 Vice President of the Authority, and assists the President 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.

PAUL W. KUTEY is the Chief Financial Officer of the Authority. Mr. Kutey oversees and directs the activities of the Office of Finance and Information Services. He is responsible for supervising the Authority's investment program, accounting functions, operation, maintenance and development of computer hardware, software and communications infrastructure; as well as the development and implementation of financial policies, financial management systems and internal controls for financial reporting. Previously, Mr. Kutey was Senior Vice President of Finance and Operations for AYCO Company, L.P., a Goldman Sachs Company, where his responsibilities included finance, operations and facilities management. Prior to joining AYCO Company, he served as Corporate Controller and Acting Chief Financial Officer for First Albany Companies, Inc. From 1982 until 2001, Mr. Kutey held increasingly responsible positions with PricewaterhouseCoopers, LLP, becoming Partner in 1993. He is a Certified Public Accountant and holds a Bachelor of Business Administration degree from Siena College.

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 twenty 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. Ms. Wallace is responsible for strategic efforts in program development, including maximizing the utilization of Minority and Women Owned Businesses, sustainability, training and marketing, as well as communicating with DASNY's clients, vendors, the public and governmental officials. She has more than 20 years of senior leadership experience in diverse private sector telecommunications businesses and civic organizations. Ms. Wallace holds a Bachelor's Degree from Pepperdine University and a Master's Degree in Public Administration from Columbia University.

The position of General Counsel is currently vacant.

Claims and Litigation

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

Other Matters

New York State Public Authorities Control Board

The New York State Public Authorities Control Board (the "PACB") has authority to approve the financing and construction of any new or reactivated projects proposed by the Authority and certain other public authorities of the State. The PACB approves the proposed new projects only upon its determination that there are commitments of funds sufficient to finance the acquisition and construction of the projects. The Authority has obtained the approval of the PACB for the issuance of the Series 2008B-2 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, 2012. Copies of the most recent audited financial statements are available upon request at the offices of the Authority.

PART 9 - LEGALITY OF THE SERIES 2008B-2 BONDS FOR INVESTMENT AND DEPOSIT

Under New York State law, the Series 2008B-2 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 Bank 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 2008B-2 Bonds may be deposited with the State Comptroller to secure deposits of State moneys in bank, trust companies and industrial bank.

PART 10 - NEGOTIABLE INSTRUMENTS

The Series 2008B-2 Bonds are negotiable instruments as provided in the Act, subject to the provisions for registration and transfer contained in the Resolution and in the Series 2008B-2 Bonds.

PART 11 - TAX MATTERS

Federal Income Taxes

The Internal Revenue Code of 1986, as amended (the “Code”) sets forth certain requirements that must be met subsequent to the issuance and delivery of the Series 2008B-2 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 2008B-2 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Series 2008B-2 Bonds. The Authority covenanted in the Resolution and the Tax Certificate as to Arbitrage and the Provisions of Sections 141 150 of the Internal Revenue Code of 1986 (the “Tax Certificate”) and the University covenanted in the Loan Agreement and the Tax Certificate to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Series 2008B-2 Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, the Authority and the University made certain representations and certifications in the Tax Certificate. In connection with the original issuance and delivery of the Series 2008B-2 Bonds, Bond Counsel also relied on the opinion of counsel to the University as to all matters concerning the status of the University as an organization described in Section 501(c)(3) of the Code and exempt from federal income tax under Section 501(a) of the Code. Bond Counsel did not and has not independently verified the accuracy of those representations and certifications or that opinion.

On the date of original issuance and delivery of the Series 2008B-2 Bonds, Bond Counsel rendered its opinion that, under existing law, assuming compliance with the tax covenants described above and the accuracy of certain representations and certifications made by the Authority and the University described above, interest on the Series 2008B-2 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code and that, by virtue of the Act, interest on the Series 2008B-2 Bonds is exempt from personal income taxes of the State of New York and its political subdivisions. A copy of that original approving opinion is attached hereto as Appendix E. In that opinion, Bond Counsel also opined 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 but indicated that such interest is, however, included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax imposed on such corporations. The opinion of Bond Counsel described above has not been updated or reissued in connection with the remarketing of the Series 2008B-2 Bonds.

Ancillary Tax Matters

Ownership of the Series 2008B-2 Bonds may result in other federal tax consequences to certain taxpayers, including, without limitation, certain S corporations, foreign corporations with branches in the United States, property and casualty insurance companies, individuals receiving Social Security or Railroad Retirement benefits, individuals seeking to claim the earned income credit, and taxpayers (including Bank, thrift institutions and other financial institutions) who may be deemed to have incurred or continued indebtedness to purchase or to carry the Series 2008B-2 Bonds.

Interest paid on tax-exempt obligations such as the Series 2008B-2 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 2008B-2 Bonds may be subject to backup withholding if such interest is intended to be paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner’s taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

Bond Counsel is not rendering any opinion as to any federal tax matters in connection with the remarketing of the Series 2008B-2 Bonds, nor is it updating or reissuing its original approving opinion, with respect to the Series 2008B-2 Bonds. Prospective investors, particularly those who may be subject special rules described above, are

advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Series 2008B-2 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 2008B-2 Bonds for federal or state income tax purposes, and thus on the value or marketability of the Series 2008B-2 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 2008B-2 Bonds from gross income for federal or state income tax purposes, or otherwise. For example, in September, 2011, the President released legislative proposals that would, among other things, subject interest on tax-exempt bonds (including the Series 2008B-2 Bonds) to a federal income tax for taxpayers with incomes above certain thresholds for tax years beginning after 2012. 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 2008B-2 Bonds may occur. Prospective purchasers of the Series 2008B-2 Bonds should consult their own tax advisors regarding the impact of any change in law on the Series 2008B-2 Bonds.

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance and delivery of the Series 2008B-2 Bonds may affect the tax status of interest on the Series 2008B-2 Bonds. Bond Counsel expresses no opinion as to any federal, state or local tax law consequences with respect to the Series 2008B-2 Bonds, or the interest thereon, if any action is taken with respect to the Series 2008B-2 Bonds or the proceeds thereof upon the advice or approval of other counsel.

PART 12 - STATE NOT LIABLE ON THE SERIES 2008B-2 BONDS

The Act provides that notes and bonds of the Authority are not a debt of the State, that the State is not liable on them and that such notes or bonds are not payable out of any funds other than those of the Authority. The Resolution specifically provides that the Series 2008B-2 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 2008B-2 Bonds by the Authority were subject to the approval of Nixon Peabody LLP, New York, New York, Bond Counsel, in rendered in connection with the original issuance of the Series 2008B-2 Bonds and the Series 2008B-2 Bonds are reoffered subject to the approval of certain matters by Bond Counsel. The Bond Counsel's opinion delivered in connection with the original issuance of the Series 2008B-2 Bonds is set forth in Appendix E hereto.

Certain legal matters will be passed upon for the University by its special counsel, Dennett Law Offices, P.C., Great Neck, New York, and for the Remarketing Agent by its Counsel, Winston & Strawn LLP, New York, New York. Certain legal matters will be passed upon for the Authority by Nixon Peabody LLP.

There is not now pending any litigation restraining or enjoining the remarketing of the Series 2008B-2 Bonds or questioning or affecting the validity of the Series 2008B-2 Bonds or the proceedings and authority under which they were issued.

PART 15 - CONTINUING DISCLOSURE

In order to assist the Remarketing Agent in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as amended (“Rule 15c2-12”), the University has undertaken in a written agreement (the “Continuing Disclosure Agreement”) for the benefit of the Bondholders to provide to Digital Assurance Certification LLC (“DAC”), on behalf of the Authority as the Authority’s disclosure dissemination agent, on or before 120 days after the end of each fiscal year, commencing with the Fiscal Year of the University ending May 31, 2012, for filing by DAC with the Municipal Securities Rulemaking Board (“MSRB”) and its Electronic Municipal Market Access System for municipal disclosures on an annual basis, operating data and financial information of the type hereinafter described (the “Annual Information”), together with the University’s annual financial statements prepared in accordance with generally accepted accounting principles and audited by an independent firm of certified public accountants in accordance with generally accepted accounting standards. However, if audited financial statements are not then available, unaudited financial statements are to be delivered to DAC for delivery to the MSRB when they become available.

If, and only if, and to the extent that it receives the Annual Information and annual financial statements described above from the University, DAC has undertaken in the Continuing Disclosure Agreement, on behalf of and as agent for the University and the Authority, to file such information and financial statements, as promptly as practicable, after receipt of the information by DAC from the University, with the MSRB.

The University also will undertake in the Continuing Disclosure Agreement to provide to the Authority, the Trustee and DAC, in a timely manner, the notices required to be provided by Rule 15c2-12 and described below (the “Notices”). In addition, the Authority has undertaken, for the benefit of the Bondholders, to provide such Notices to DAC, should the Authority have actual knowledge of the occurrence of a Notice Event (as hereinafter defined). Upon receipt of Notices from the University, the Trustee or the Authority, DAC will file the Notices with the MSRB in a timely manner. With respect to the Series 2008B-2 Bonds, DAC has only the duties specifically set forth in the Continuing Disclosure Agreement. DAC’s obligation to deliver the information at the times and with the contents described in the Continuing Disclosure Agreement is limited to the extent the University has provided such information to DAC as required by the Continuing Disclosure Agreement. DAC has no duty with respect to the content of any disclosure or Notices made pursuant to the terms of the Continuing Disclosure Agreement and DAC has no duty or obligation to review or verify any information contained in the Annual Information, Audited Financial Statements, Notices or any other information, disclosures or Notices provided to it by the University, the Trustee or the Authority and will not be deemed to be acting in any fiduciary capacity for the Authority, the University, the Holders of the Series 2008B-2 Bonds or any other party. DAC has no responsibility for the failure of the Authority to provide to DAC a Notice required by the Continuing Disclosure Agreement or duty to determine the materiality thereof. DAC has no duty to determine or liability for failing to determine whether the University, the Trustee or the Authority has complied with the Continuing Disclosure Agreement and DAC may conclusively rely upon certifications of the University and the Authority with respect to their respective obligations under the Continuing Disclosure Agreement. In the event the obligations of DAC as the Authority’s disclosure dissemination agent terminate, the Authority will either appoint a successor disclosure dissemination agent or, alternatively, assume all responsibilities of the disclosure dissemination agent for the benefit of the Bondholders.

The Annual Information will consist of operating data and financial information of the type included in this Reoffering Circular in “PART 5 - THE UNIVERSITY - OPERATING INFORMATION” and “PART 5 - THE UNIVERSITY - ANNUAL FINANCIAL STATEMENT INFORMATION” relating to: (1) *student admissions*, similar to that set forth under the heading, “FRESHMAN ADMISSION STATISTICS;” (2) *student enrollment*, similar to that set forth under the heading, “ENROLLMENT SUMMARY;” (3) *tuition and other student charges*, similar to that set forth under the heading, “FULL-TIME UNDERGRADUATE TUITION AND FEE CHARGES;” (4) *financial aid*, similar to that set forth under the heading, “SOURCES OF SCHOLARSHIP AND GRANT AID;” (5) *faculty*, similar to that set forth under the heading, “FACULTY PROFILE;” (6) *endowment and similar funds*, similar to that set forth under the heading, “INVESTMENTS;” (7) *plant values*, similar to that set forth under the heading, “PLANT ASSETS;” and (8) *outstanding long-term indebtedness*, similar to that set forth under the heading

“OUTSTANDING INDEBTEDNESS,” together with a narrative explanation as may be necessary to avoid misunderstanding regarding the presentation of financial and operating data concerning the University.

The Notices include notices of any of the following events (the “Notice Events”) with respect to the Series 2008B-2 Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices and determinations or events affecting the tax-exempt status of the Series 2008B-2 Bonds; (7) modifications to the rights of holders of the Series 2008B-2 Bonds, if material; (8) bond calls, if material; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Series 2008B-2 Bonds, if material; (11) rating changes; (12) tender offers; (13) bankruptcy, insolvency, receivership or similar event of the University; (14) consummation of a merger, consolidation or acquisition involving the University or the sale of all or substantially all of the assets of the University, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (15) appointment of a successor or additional trustee, or the change of name of a trustee, if material. In addition, DAC will undertake to provide to the MSRB, in a timely manner, notice of any failure by the University to provide the Annual Information and annual financial statements by the date required in the University’s undertaking described above.

The sole and exclusive remedy for breach or default under the Continuing Disclosure Agreement described above is an action to compel specific performance of the undertaking of DAC, the University, the Trustee and/or the Authority, and no person, including any Holder of the Series 2008B-2 Bonds, may recover monetary damages thereunder under any circumstances. The Authority or the University may be compelled to comply with their respective obligations under the Continuing Disclosure Agreement (i) in the case of enforcement of their obligations to provide information required thereunder, by any Holder of Outstanding Series 2008B-2 Bonds or by the Trustee on behalf of the Holders of Outstanding Series 2008B-2 Bonds, or (ii) in the case of challenges to the adequacy of the information provided, by the Trustee on behalf of the Holders of the Series 2008B-2 Bonds. However, the Trustee is not required to take any enforcement action except at the direction of the Holders of not less than 25% in aggregate principal amount of Series 2008B-2 Bonds at the time Outstanding. A breach or default under the Continuing Disclosure Agreement will not constitute an Event of Default under the Resolution, the Series 2008 Resolutions or the Loan Agreement. In addition, if all or any part of Rule 15c2-12 ceases to be in effect for any reason, then the information required to be provided under the Continuing Disclosure Agreement, insofar as the provision of Rule 15c2-12 no longer in effect required the providing of such information, will no longer be required to be provided.

The foregoing undertaking is intended to set forth a general description of the type of financial information and operating data that will be provided. The description is not intended to state more than general categories of financial information and operating data; and where an undertaking calls for information that no longer can be generated or is no longer relevant because the operations to which it related have been materially changed or discontinued, a statement to that effect will be provided. The Continuing Disclosure Agreement, however, may be amended or modified without consent of the Holders of the Series 2008B-2 Bonds under certain circumstances set forth therein. Copies of the Continuing Disclosure Agreement when executed by the parties thereto upon the delivery of the Series 2008B-2 Bonds will be on file at the principal office of the Authority.

PART 16 - INDEPENDENT AUDITORS

Included in Appendix B are the Consolidated Financial Statements of St. John’s University for the Fiscal Years ended May 31, 2012 and 2011, which were audited by KPMG LLP, independent auditors, as stated in their report appearing therein.

PART 17 - RATINGS

On the date hereof, it is expected that Standard & Poor’s Ratings Services (“S&P”) will assign a long-term rating of “AA-” to the Series 2008B-2 Bonds on the basis of the availability of the Letter of Credit. The Series 2008B-2 Bonds are expected to be assigned the short-term rating of “A-1+” by S&P, based solely on the Letter of

Credit. It is expected that Moody's Investors Service, Inc. ("Moody's") will assign a long-term rating of "Aa1" to the Series 2008B-2 Bonds on the basis of the availability of the Letter of Credit, the rating of the University and the default dependence between the two. The Series 2008B-2 Bonds are expected to be assigned the short-term rating of "VMIG 1" by Moody's, based solely on the Letter of Credit.

Such credit ratings reflect only the view of the credit rating agency issuing each such rating and an explanation of the significance of any such credit rating should be obtained from the rating agency furnishing the same. There is no assurance that such credit rating will prevail for any given period of time or that it will not be changed or withdrawn entirely by such credit rating agency if, in its judgment, circumstances so warrant. Any downward revision or withdrawal of such credit rating may have an adverse effect on the market price of the Series 2008B-2 Bonds.

PART 18 - REMARKETING

U.S. Bancorp has been appointed Remarketing Agent for the Series 2008B-2 Bonds. "US Bancorp" is the marketing name of U.S. Bancorp and its subsidiaries including: U.S. Bank Municipal Securities Group, a division of U.S. Bank National Association ("MSG") and U.S. Bancorp Investments, Inc., which, along with MSG, is serving as Remarketing Agent for the 2008B-2 Bonds and U.S. Bank National Association, which is providing the 2008B-2 Letter of Credit. If the Series 2008B-2 Bonds of a subseries are tendered or deemed tendered for purchase as described herein under the caption "PART 3 - DESCRIPTION OF THE SERIES 2008B-2 BONDS - Remarketing of Series 2008B-2 Bonds" the Remarketing Agent is required to use its best efforts to remarket such Series 2008B-2 Bonds subject to and in accordance with the terms of the Resolution and the Remarketing Agreement. The Remarketing Agent will also be responsible for determining the Daily Interest Rate and the Weekly Interest Rate, as applicable, for the related subseries in accordance with the Remarketing Agreement and the Resolution.

PART 19- MISCELLANEOUS

References in this Reoffering Circular to the Act, the Resolution, the Series Resolution, the Bond Series Certificate, the Substitute Letter of Credit, the Amended and Restated Intercreditor Agreement, the 2008 Mortgage, the Reimbursement Agreement and the Loan Agreement do not purport to be complete. Refer to the Act, the Resolution, the Series Resolution, the Bond Series Certificate, the Substitute Letter of Credit, the Amended and Restated Intercreditor Agreement, the 2008 Mortgage, the Reimbursement Agreement and the Loan Agreement for full and complete details of their provisions. Copies of the Act, the Resolution, the Series Resolution, the Bond Series Certificate, the Substitute Letter of Credit, the Amended and Restated Intercreditor Agreement, the 2008 Mortgage, the Reimbursement Agreement and the Loan Agreement are on file with the Authority and the Trustee.

The agreements of the Authority with Holders of the Series 2008B-2 Bonds are fully set forth in the Resolution and the Series Resolution. Neither any advertisement of the Series 2008B-2 Bonds nor this Reoffering Circular is to be construed as a contract with purchasers of the Series 2008B-2 Bonds.

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

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

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

The information regarding the Bank has been furnished by the Bank. No representation is made herein by the Authority, the University or the Remarketing Agent as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof. Neither the Authority, the University nor the Remarketing Agent has made any independent investigation of the Bank.

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

“Appendix B - Consolidated Financial Statements of St. John’s University and Independent Auditors’ Report” contains the financial statements of the University as of May 31, 2012 and May 31, 2011, and for the years then ended, which have been audited by KPMG LLP, independent accountants, as stated in their report appearing in Appendix B.

The University has reviewed the parts of this Reoffering Circular describing the University, Principal and Interest Requirements, the Estimated Sources and Uses of Funds and Appendix B. It is a condition to the sale and delivery of the Series 2008B-2 Bonds that the University certify as of the dates of sale and delivery of the Series 2008B-2 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 University has agreed to indemnify the Authority, the Remarketing Agent and certain others against losses, claims, damages and liabilities arising out of any untrue statements or omissions of statements of any material fact as described in the preceding paragraph.

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

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

By: /s/ Paul T. Williams
Authorized Officer

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CERTAIN DEFINITIONS

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

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CERTAIN DEFINITIONS

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

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

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

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

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

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

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

Authority Fee means the fee payable to the Authority consisting of all of the Authority's internal costs and overhead expenses attributable to the issuance of the Bonds of a Series and the construction of the Projects, as more particularly described in the Loan Agreement and made a part of 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, the Deputy Chief Financial Officer, the Assistant Director, Financial Management, 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 University, when used with reference to any act or document, means the person or persons authorized by a resolution or the by–laws of the University to perform such act or execute such document; and (iii) in the case of the Trustee, the President, a Vice President, an Assistant Vice President, a Corporate Trust Officer, an Authorized Signatory, 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 Commitment means, when used in connection with a particular Letter of Credit, and on any date of calculation, the amount available to be drawn under such Letter of Credit on such date.

Available Money means, when used in connection with any particular Bond:

- (i) money obtained by the Trustee pursuant to the Letter of Credit for such Bond;
- (ii) money derived from the remarketing of such Bond which is directly paid to and held by the Trustee for the payment of the Purchase Price of such Bond;
- (iii) money which has been on deposit with the Trustee for at least one hundred twenty–four (124) days (or 366 days in the case where there are affiliates) prior to and during which no petition by or against the Authority or the University, under the United States Bankruptcy Code of 1978, as amended, 11 U.S.C. Sec. 101 et seq. (the “**Bankruptcy Code**”) shall have been filed or any bankruptcy or similar proceeding shall have been commenced, unless such petition or proceeding shall have been dismissed and such dismissal shall be final and not subject to appeal; or
- (iv) any other money the application of which to the payment of the principal, Redemption Price or Purchase Price of or interest on such Series 2008 Bond would not, in an opinion of Bond Counsel, acceptable to each Rating Service, constitute a voidable preference in the case of a filing for protection of the Authority or the University under the Bankruptcy Code; and
- (v) the proceeds from the investment of money described in clauses (i) through (iv) above.

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

Bank means, when used in connection with any particular Letter of Credit or Bond, the entity that has issued such Letter of Credit or issued the Letter of Credit in connection with such Bond.

Bank Bond means any Series 2008 Bond during the Period from and including the date it is purchased or paid for by a Bank pursuant to the Letter of Credit issued by such Bank to, but excluding, the earliest of:

- (i) the date on which the principal, Redemption Price or Purchase Price of such Series 2008 Bond, together with all interest accrued thereon, is paid with amounts other than amounts drawn under the Letter of Credit;

(ii) the date on which the registered owner of a Series 2008 Bond has given written notice of its determination not to sell such Series 2008 Bond following receipt of a purchase notice from the Remarketing Agent with respect to such Series 2008 Bond, or, if notice of such determination is not given on or before the Business day next succeeding the day such purchase notice is received, the second Business Day succeeding receipt of such purchase notice; or

(iii) the date on which such Series 2008 Bond is to be purchased pursuant to an agreement by the registered owner of such Series 2008 Bond to sell such Series 2008 Bond following receipt of a purchase notice from the Remarketing Agent with respect to such Series 2008 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 2008 Bond, together with the interest accrued thereon to the date of purchase.

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

Bond Payment Date means an Interest Payment Date and any date on which the principal of a Series 2008 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 a tendered Series 2008 Bond or the Redemption Price of a Series 2008 Bond called for redemption pursuant to the Resolution.

Bank Repayment Account means an account within the Bank Repayment Fund created and established in connection with a Letter of Credit for a Series of Bonds for the purpose of reimbursing the Bank for money advanced under such Letter of Credit for payment of the principal, Redemption Price and Tender Option Price of and interest on Bonds of such Series.

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

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 Series Certificate means, when used in connection with a Series of the 2008 Bonds, the certificate of an Authorized Officer of the Authority fixing terms, conditions and other details of such Series 2008 Bonds and, when used in connection with the Bonds of any other Series, the certificate of an Authorized Officer of the Authority fixing terms, conditions and other details of the Bonds of such Series in accordance with the delegation of power to do so under the Resolution or under the Series Resolution authorizing the issuance of such Series of Bonds.

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

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

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

Business Day means, when used in connection with a Series 2008 Bond in the Weekly Rate Mode, a day other than (i) a Saturday or Sunday or (ii) a day on which any of the following are authorized or required to remain closed: (A) banks, trust companies chartered by the State of New York or the United States of America, (B) the Trustee, (C) the New York Stock Exchange, or (D) the Remarketing Agent for such Series 2008 Bond; and, when

used in connection with any other Bond, 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 accruing thereon is compounded on each Valuation Date for such Bond and is payable only at the maturity or prior redemption thereof.

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

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

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

Conversion Date means the day on which a Series 2008 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 2008 Bond.

Cost or Costs of Issuance means the items of expense incurred in connection with the authorization, sale and issuance of the Bonds, which items of expense shall include, but not be limited to, document printing and reproduction costs, filing and recording fees, costs of credit ratings, initial fees and charges of the Trustee, legal fees and charges, professional consultants' fees, fees and charges for execution and transportation and safekeeping of Bonds, commitment fees or similar charges relating to a Letter of Credit, a Hedge Agreement or a Remarketing Agent, costs and expenses of refunding Bonds and other costs, charges and fees, including those of the Authority, in connection with the foregoing.

Cost or Costs of the Project means costs and expenses or the refinancing of costs and expenses determined by the Authority to be necessary in connection with a Project and when used in connection with the repair, replacement or renovation of Mortgaged Property costs and expenses or the refinancing of costs and expenses determined by the Authority to be necessary in connection therewith, in each case, including, but not limited to, (i) costs and expenses of the acquisition of the title to or other interest in real property, including easements, rights-of-way and licenses, (ii) costs and expenses incurred for labor and materials and payments to contractors, builders and materialmen, for the acquisition, construction, reconstruction, rehabilitation, repair and improvement of a Project or Mortgaged Property, (iii) the cost of surety bonds and insurance of all kinds, including premiums and other charges in connection with obtaining title insurance, that may be required or necessary prior to completion of a Project, which is not paid by a contractor or otherwise provided for, (iv) the costs and expenses for design, test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, and for supervising construction of a Project, (v) costs and expenses required for the acquisition and installation of equipment or machinery, (vi) all other costs which the University shall be required to pay or cause to be paid for the acquisition, construction, reconstruction, rehabilitation, repair, improvement and equipping of a Project or Mortgaged Property, (vii) any sums required to reimburse the University or the Authority for advances made by them for any of the above items or for other costs incurred and for work done by them in connection with a Project or Mortgaged Property (including interest on money borrowed from parties other than the University), (viii) interest on the Bonds reimbursement of the Bank for amounts advanced by it under the Letter of Credit for the payment of interest on the Bonds, in each case, prior to, during and for a reasonable period after completion of the acquisition, construction, reconstruction, rehabilitation, repair, improvement or equipping of a Project, and (ix) fees, expenses and liabilities of the Authority incurred in connection with a Project or a Letter of Credit pursuant to the Resolution or to the Loan Agreement, Reimbursement Agreement or a Remarketing Agreement.

Counterparty means any person with which the Authority or the University 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 Interest Rate Exchange Agreement the obligations of such person thereunder, are rated, without regard to qualification of such rating by

symbols such as “+” or “-” and numerical notation, not lower than in the third highest rating category by each Rating Service deemed to have been paid in accordance with the Resolution, 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 the Resolution, 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 therein in accordance with the direction of an Authorized Officer of the Authority; second, to each Bank and Insurer, the amounts then due and unpaid to each of them, pro rata, based upon the respective amounts certified by each Bank and Insurer to the Trustee as then due and unpaid; 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 Institute. 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.

Debt Service Account means the account within the Debt Service Fund so designated, created and established pursuant to the Resolution.

Debt Service Reserve Fund means, when used in connection with one or more particular Series of Bonds, a reserve fund for the payment of the principal and Sinking Fund Installments of and interest the Bonds of such Series, as so designated, created and established by the Authority by or pursuant to a Series Resolution.

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

Default Notice means a notice given by the Banks pursuant to the Reimbursement Agreement to the effect that an event of default thereunder has occurred and the Letters of Credit will terminate as a consequence thereof, on the termination date.

Defeasance Security means any of the following:

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

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

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

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

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

Deficiency Notice means any notice to the University either from the Trustee or the Authority to the effect that the amount in a Debt Service Reserve Fund is less than its requirement.

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 2008 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 2008 Bonds, or any successor Depository for any Series 2008 Bonds.

ERISA Affiliate means the University, any of its Affiliates and any other Person who is a member of the same controlled group as, or is treated as a single employer with, the University or any such Affiliate under the Reimbursement Agreement.

ERISA Event means (i) a Reportable Event described in section 4043(b) of ERISA and the regulations issued thereunder with respect to any Title IV Plan which is not a Multiemployer Plan; or (ii) notification of the University or any ERISA Affiliate by the sponsor of any Multiemployer Plan that such plan is in reorganization, insolvent or being terminated

Event of Default, when used in connection with the Resolution, means each event described in the Resolution, and, when used in connection with the Loan Agreement, a Mortgage or a Reimbursement Agreement means each event described in the Loan Agreement or such Mortgage or Reimbursement Agreement.

Exempt Obligation means any of the following:

(i) an obligation of any state or territory of the United States of America, any political subdivision of any state or territory of the United States of America, or any agency, authority, public benefit corporation or instrumentality of such state, territory or political subdivision, the interest on which is excludable from gross income under Section 103 of the Code, which is not a “specified private activity bond” within the meaning of Section 57(a)(5) of the Code and which, at the time an investment therein is made or such obligation is deposited in any fund or account under the Resolution, is rated, without regard to qualification of such rating by symbols such as “+” or “-” and numerical notation, no lower than 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 wholly comprised of any of the foregoing obligations and whose objective is to maintain a constant share value of one dollar (\$1.00).

Expiration Date means, when used in connection with a particular Letter of Credit, the date on which such 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 shall terminate, expire or be canceled upon delivery of a substitute Letter of Credit, but does not include a Termination Date.

Federal Agency Obligation means:

(i) an obligation issued, or fully insured or guaranteed as to payment by any agency or instrumentality of the United States of America, 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 obligations; and

(iii) a share or interest in a mutual fund, partnership or other fund wholly comprised of any of the foregoing obligations and whose objective is to maintain a constant share value of one dollar (\$1.00).

Fiscal Year means a twelve month period beginning June 1st of a calendar year and ending on May 31st of the next subsequent calendar year, or such other twelve month period as the University may elect as its Fiscal Year.

Financing Documents means, collectively, the Reimbursement Agreements, any note given to a Bank to evidence the University’s obligation to reimburse the Bank for advances made under the Bank’s Letter of Credit or any term loan made by the Bank, the Bonds, the Letter of Credit, the Loan Agreement, the Resolution, the Remarketing Agreement and the Mortgage documents.

Government Obligation means:

(i) a direct obligation of the United States of America;

(ii) an obligation fully insured or guaranteed as to payment by the United States of America;

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

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

(v) a share or interest in a mutual fund, partnership or other fund wholly comprised of any of the foregoing obligations and whose objective is to maintain a constant share value of one dollar (\$1.00).

Governmental Requirements means any present and future laws, rules, orders, ordinances, regulations, statutes, requirements and executive orders applicable to a 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 created after the Resolution, and having or asserting jurisdiction over a Project or any Mortgaged Property or any part of either.

Hedge Agreement means any financial arrangement entered into by the Authority or the University with a Counterparty that is an Interest Rate Exchange Agreement, an interest rate cap or collar or other exchange or rate protection transaction, in each case executed for the purpose of moderating interest rate fluctuations, reducing interest cost or creating with respect to any Variable Interest Rate Bond the economic or financial equivalent of a fixed rate of interest on such Bond; *provided, however*, that no such agreement entered into by the University shall constitute a Hedge Agreement for purposes of the Resolution unless a copy thereof has been delivered to the Authority.

Initial Rate means the rate per annum at which Series 2008 Bond will bear interest during the Initial Rate Period.

Initial Rate Period means the period commencing on the date the Series 2008 Bonds are issued and extending to and including the next succeeding Wednesday.

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

Intercreditor Agreement means an agreement by and among the Authority, the Trustee, Manufacturers And Traders Trust Company, Buffalo New York, in its capacity as trustee under the Authority's St. John's University Insured Revenue Bond Resolution, adopted August 12, 1998, and The Bank Of New York Mellon, in its capacity as trustee under the Authority's St. John's University Insured Revenue Bond Resolution, adopted January 26, 2005, the Banks and MBIA Insurance Corporation, each other Bank and any other appropriate person, each as creditors of the University, with respect to (i) the relative priorities of the liens upon the Pledged Revenues and, to the extent the obligations of the University 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 in the Bond Series Certificate relating to such Bond, after which interest accruing on such Bond shall be payable on the interest payment date immediately succeeding such Interest Commencement Date and semiannually thereafter on July 1 and January 1 of each Bond Year.

Interest Payment Date means the first Business Day of each month, *provided, however*, that interest on Bank Bonds shall be payable at the times required by the Reimbursement Agreement. If any such date is not a Business Day, the Interest Payment Date shall be the succeeding Business Day.

Interest Rate Exchange Agreement means an agreement entered into by the Authority or the University in anticipation of or in connection with the issuance of Bonds or which relates to Outstanding Bonds which (i) provides that during the term of such agreement the Authority or the University is to pay to the Counterparty an amount based on the interest accruing at a fixed or variable rate per annum on an amount equal to a principal amount of such Bonds and that the Counterparty is to pay to the Authority or the University an amount based on the interest accruing on a principal amount equal to the same principal amount of such Bonds at a fixed or variable rate per annum, in each case computed according to a formula set forth in such agreement, or that one shall pay to the other any net amount due under such agreement and (ii) in the opinion of Bond Counsel, will not adversely affect the exclusion of interest on Bonds from gross income for the purposes of federal income taxation.

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

Letter of Credit means, when used in connection with any particular Bond, 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, and, if such Bond is an Option Bonds, the purchase price thereof payable upon tender by the Holders thereof, which Letter of Credit 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.

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.

Loan Agreement means the Loan Agreement, dated as of March 26, 2008, by and between the Authority and the University in connection with the issuance of Bonds, as the same shall have been amended, supplemented or otherwise modified as permitted by the Resolution and by the Loan Agreement.

Maximum Annual Debt Service means, as of any date of computation, an amount equal to the greatest amount required in the then current or any future Fiscal Year to pay the principal and Sinking Fund Installments of and interest on all Outstanding Bonds on such payable during such Fiscal Year; *provided, however*, that for purposes of this definition:

- (i) the Accreted Value of a Capital Appreciation Bond and the Appreciated Value of a Deferred Income Bond becoming due at maturity or through a mandatory Sinking Fund Installment shall be included in the calculations of interest and principal payable during the Fiscal Year in which such Capital Appreciation Bond or Deferred Income Bond matures or in which such Sinking Fund Installment is due;
- (ii) the principal of an Option Bond Outstanding during any Fiscal Year shall be included only in the years and in the respective principal amounts due on the dates on which Sinking Fund Installments are due and on the stated maturity date thereof;
- (iii) it shall be assumed that a Variable Interest Rate Bond, prior to its conversion to bear interest at a fixed rate to its maturity, bears interest during any Fiscal Year at the lesser of:
 - (1) a fixed rate of interest equal to that rate, as determined by an Authorized Officer of the Authority in connection with, but in no event more than ten Business Days prior to, the initial issuance of such Variable Interest Rate Bond, that such Variable

Interest Rate Bond would have had to bear to be marketed at par on such date as a fixed rate obligation maturing on the maturity date of such Variable Interest Rate Bond; and

(2) if the Authority or the University has in connection with such Variable Interest Rate Bond entered into (A) an Interest Rate Exchange Agreement which provides that the Authority or the University is to pay to another person an amount determined based upon a fixed rate of interest on the Outstanding principal amount of the Variable Interest Rate Bonds to which such agreement relates, and the Counterparty is to pay with respect to a like principal amount a variable rate expected to be reasonably equivalent to the variable rate of interest on such Bonds, or (B) an Hedge Agreement in the nature of an interest rate cap or collar, then either the interest fixed rate set forth in or determined in accordance with such Interest Rate Exchange Agreement or the maximum rate set forth in such Hedge Agreement, as applicable.

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

Maximum Rate means (i) in the case of a Series 2008 Bond bearing interest at any Rate other than a Bank Bond Rate, twelve percent (12%) per annum and (ii) in the case of a Series 2008 Bond bearing interest at a Bank Bond Rate, eighteen percent (18%) per annum; *provided, however*, that in no event shall the Rate at which any Series 2008 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 in the Bond Series Certificate relating to such Bond, that shall be the minimum rate at which such Bond may bear interest at any time.

Mortgage means (i) a mortgage or modification or amendment thereto delivered by the University to the Authority pursuant to the Loan Agreement, in form and substance satisfactory to an Authorized Officer of the Authority, on the real property described therein, as such Mortgage may be amended or modified from time to time and (ii) the fee or other interest in real property conveyed to the Authority by the University, in each case, as security for the performance of the University's obligations under the Loan Agreement.

Mortgage Documents means the Mortgage and the Intercreditor Agreement.

Mortgaged Property means the land described in a Mortgage and the buildings and improvements thereon or erected thereon after the Resolution and the fixtures, furnishings and equipment owned by the University and now or thereafter located therein or thereon.

Multiemployer Plan means a "multiemployer plan" within the meaning of section 4001(a)(3) of ERISA with respect to which any ERISA Affiliate has any direct or indirect, fixed or contingent liability.

No Remarketing Notice means, as of any date of determination, a notice given by the Bank pursuant to the Reimbursement Agreement to the effect that an event of default under the Reimbursement Agreement has occurred and that from and after the date specified therein no Tendered Bonds are to be remarketed.

Official Statement means an official statement, offering memorandum or circular or other offering document relating to and in connection with the sale and issuance, remarketing or reoffering of Bonds.

Opinion of Bond Counsel means an opinion of Bond Counsel to the effect that the action proposed to be taken will not cause interest on the Series 2008 Bonds to be includable in the gross income of the owners of such Series 2008 bonds for purposes of federal income taxation and such action is authorized or permitted by the Resolutions.

Option Bond means any Bond which by its terms may be or is required to be tendered by the Holder thereof for redemption by the Authority prior to the stated maturity thereof or for purchase thereof, or the maturity

of which may be extended by and at the option of the Holder thereof in accordance with the Series Resolution authorizing such Bonds or the Bond Series Certificate related to such Bonds.

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

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

Permitted Collateral means any of the following:

- (i) a Government Obligation described in clauses (i), (ii) or (iii) of the definition of Government Obligation;
- (ii) a Federal Agency Obligation described in clauses (i) or (ii) of the definition of Federal Agency Obligation;
- (iii) commercial paper that (a) matures within two hundred seventy (270) days after its date of issuance, (b) is rated in the highest short term rating category by at least one Rating Service and (c) is issued by a domestic corporation whose unsecured senior debt is rated by at least one Rating Service no lower than in the second highest rating category; or
- (iv) a financial guaranty agreement, surety or other similar bond or other instrument of an insurance company that has an equity capital of at least \$125,000,000 and is rated by Bests Insurance Guide or a Rating Service in the highest rating category.

Permitted Encumbrances means, when used in connection with any Mortgaged Property: (i) this Loan Agreement, the Resolution, any Mortgage and any instrument recorded pursuant to the Resolution; (ii) the Lien of the mortgage from the University to the Authority, dated as of October 22, 1998; (iii) the Lien of the mortgage from the University to the Authority, dated as of May 24, 2001; (iv) the Lien of the mortgage from the University to the Authority, dated as of March 16, 2005; (v) the Lien of the mortgage from the University to the Authority, dated as of February 22, 2007; (vi) any Lien to secure the purchase price of any equipment or furnishings, provided that the indebtedness secured thereby does not exceed ninety-five percent (95%) of the cost of acquisition thereof; (vii) mechanics liens or other encumbrances which are fully bonded by the University or insured against by a policy of title insurance; (viii) the lien of taxes and assessments which are not delinquent; (ix) the lien of taxes and assessments which are delinquent but the validity of which is being contested in good faith unless thereby the property or the interest of the Authority therein may be in danger of being lost or forfeited; (x) minor defects and irregularities in the title to such property which do not in the aggregate materially impair the use of such property for the purposes for which it is or may reasonably be expected to be held; (xi) any matters set forth in a policy of title insurance issued in connection with items set forth in clauses (i) through (v) above; and (xii) any other encumbrances or matters approved in writing by an Authorized Officer of the Authority and each applicable Bank.

Permitted Investments means any of the following:

- (i) Government Obligations;
- (ii) Federal Agency Obligations;
- (iii) Exempt Obligations;
- (iv) uncollateralized certificates of deposit that are fully insured by the Federal Deposit Insurance Corporation and issued by a banking organization authorized to do business in the State;
- (v) collateralized certificates of deposit that are (a) issued by a banking organization authorized to do business in the State that has an equity capital of not less than \$125,000,000, whose unsecured senior debt, or debt obligations fully secured by a letter 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 Services in at least the second highest rating category, and (b) are fully collateralized by Permitted Collateral; and
- (vi) Investment Agreements that are fully collateralized by Permitted Collateral.

Person means an individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

Pledged Revenues means an amount equal to Maximum Annual Debt Service from tuition and fees charged to students for academic instruction, the right to receive the same and the proceeds thereof.

Prior Pledges means, when used in connection with the Pledged Revenues (i) the pledge of or security interest given pursuant to, and to secure the University's obligations under, the Loan Agreement, dated as of August 12, 1998, as amended and restated as of April 25, 2001, by and between the Authority and the University, and (ii) the pledge of or security interest given pursuant to, and to secure the University's obligations under, the Loan Agreement, dated as of January 26, 2005, as amended and restated as of January 24, 2007, by and between the Authority and the University, subject in each case to the express provisions of any Intercreditor Agreement.

Project means each "dormitory" as defined in the Act, which may include more than one part, financed in whole or in part from the proceeds of the sale of Bonds, as more particularly described in Schedule C to the Loan Agreement.

Purchase Price means, when used in relation to a tendered Series 2008 Bond, an amount equal to (a) one hundred percent (100%) of the principal amount of such Series 2008 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; *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.

Purchased Bond means any Bond purchased by or at the direction of the University pursuant to the provisions of the Series Resolution authorizing the issuance of such Bonds or the Bond Series Certificate relating to such Bond, as authorized by the Resolution, but does not include Option Bonds tendered for purchase either at the option of the Holder or mandatorily.

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

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

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

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

(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.

Qualified Purchaser means a person in whose name a Bank Bond may, as provided in the Reimbursement Agreement with the Bank, be registered or to whom a Bank Bond may be transferred by or upon the order of the Bank without affecting the character of such Series 2008 Bond as a Bank Bond.

Rate Mode means the Weekly Rate Mode and any other mode permitted by the applicable Bond Series Certificate.

Rate Period means the period during which an interest rate will be in effect during a particular Rate Mode.

Rating Confirmation means, when used in connection with any particular act or occurrence related to a Series 2008 Bond, the written confirmation of each Rating Service to the effect that the rating assigned to such Series 2008 Bond by such Rating Service will remain unchanged and will not be withdrawn, suspended or reduced as a consequence of such act or occurrence.

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

Record Date means, with respect to a Series 2008 Bond in the Weekly Rate Mode, the close of business on the Business Day immediately preceding an Interest Payment Date, and, with respect to any other Bond, unless the Series Resolution authorizing such Bond or a Bond Series Certificate relating thereto provides otherwise, 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 any agreement by and between the University and a Bank pursuant to which, inter alia, such Bank agrees to issue a Letter of Credit for the benefit of the Trustee, as from time to time amended or supplemented in accordance therewith.

Related Agreements means any Remarketing Agreement, Interest Rate Exchange Agreement, any broker-dealer agreement, auction agent agreement and agreement entered into in connection with a Reserve Fund Facility, to which the University is a party.

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 University 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.

Reset Date means, when used in connection with a Series 2008 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 2008 Bond is to be determined in accordance with the provisions of the Resolution, and, when used in connection with a Series 2008 Bond in the Term Rate Mode, also means the last day of the then current Term Rate Period.

Resolution means this St. John's University Revenue Bond Resolution (Letter of Credit Secured), as from time to time amended or supplemented by Supplemental Resolutions or Series Resolutions in accordance with the terms and provisions of the Resolution.

Revenues means all payments received or receivable by the Authority which pursuant to the Loan Agreement are required to be paid to the Trustee (except payments to the Trustee for the administrative costs and expenses or fees of the Trustee and payments to the Trustee for deposit to the Arbitrage Rebate Fund), and all amounts received as a consequence of the enforcement of the Loan Agreement, including but not limited to amounts derived from the foreclosure or sale of or other realization upon the Pledged Revenues.

Serial Bonds means the Bonds so designated in a Series Resolution or a Bond Series Certificate.

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

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

SIFMA Municipal Index means the former BMA Municipal Swap Index disseminated by Municipal Market Data, a Thomson Financial Services Company or its successor; or, if at the time a Rate is to be determined, Municipal Market Data has not provided the relevant information on the BMA Municipal 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, when used with respect to any Bonds of a Series, other than Option Bonds or Variable Interest Rate Bonds, so long as any such Bonds are Outstanding, the amount of money required by the Resolution or by the Series Resolution pursuant to which such Bonds were issued or by the Bond Series Certificate relating thereto to be paid on a single future July 1 for the retirement of any Outstanding Bonds of said Series which mature after said future July 1, but does not include any amount payable by the Authority by reason only of the maturity of a Bond, and said future July 1 is deemed to be the date when a Sinking Fund Installment is payable and the date of such Sinking Fund Installment and said Outstanding Bonds are deemed to be Bonds entitled to such Sinking Fund Installment, and when used with respect to Option Bonds or Variable Interest Rate Bonds of a Series, so long as such Bonds are Outstanding, the amount of money required by the Series Resolution pursuant to which such Bonds were issued or by the Bond Series Certificate relating thereto to be paid on a single future date for the retirement of any Outstanding Bonds of said Series which mature after said future date, but does not include any amount payable by the Authority by reason only of the maturity of a Bond, and said future date is deemed to be the date when a Sinking Fund Installment is payable and the date of such Sinking Fund Installment and said Outstanding Option Bonds or Variable Interest Rate Bonds of such Series are deemed to be Bonds entitled to such Sinking Fund Installment.

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

State means the State of New York.

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

Substitute Letter of Credit means a Letter of Credit issued in connection with the Bonds of a Series which replaces the then existing Letter of Credit for such Bonds.

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

Tax Certificate means the a certificate of the Authority, including the appendices, schedules and exhibits thereto, executed in connection with the issuance of a Series of Tax Exempt Bonds in which the Authority makes representations and agreements as to arbitrage and compliance with the provisions of Sections 141 through 150, inclusive, of the 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 such Bond is excluded from gross income for purposes of federal income taxation.

Tender Option Price means the purchase price payable to the Holder of an Option Bond upon the tender of such Option Bond, either at the Holder's option or mandatorily, in accordance with the Series Resolution authorizing the issuance of such Bond or the Bond Series Certificate relating to such Bond.

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

Term Note shall have the meaning specified in the Reimbursement Agreement.

Termination Date means, when used in connection with a particular Letter of Credit, the date on which such Letter of Credit will terminate prior to its stated Expiration Date, as set forth in a Default Notice or a Termination Notice delivered by the Bank thereof in accordance with such Letter of Credit or the applicable Reimbursement Agreement.

Termination Notice means a notice by the Bank pursuant to the Letter of Credit or the Reimbursement Agreement to the effect that such Letter of Credit will terminate on the date specified in such notice other than as a result of the occurrence of an event described in the Resolution.

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.

Unfunded Benefit Liabilities means, with respect to a Title IV Plan, the amount (if any) by which the present value of all benefit liabilities under such plan within the meaning of section 4001(a)(16) of ERISA exceeds the fair market value of all plan assets allocable to such liabilities determined as of the then most recent valuation date for such plan based on the actuarial assumptions used for plan funding in connection with that valuation.

Unfunded Pension Liabilities means the excess of a Pension Plan's benefit liabilities under Section 4001 (a) (16) of ERISA, over the current value of that Pension Plan's assets, determined in accordance with the assumptions used for funding the Pension Plan pursuant to Section 412 of the Code for the applicable Plan Year.

University means St. John's University, New York, an institution for higher education located in the State and authorized to confer degrees by law or by the Board of Regents of the State, or any successor thereto.

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

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

which any change in such variable interest rate shall become effective or the manner of determining such time or times.

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 the written report of a certified public accountant, a firm of certified public accountant or another person regularly engaged in rendering such reports that confirms and verifies the mathematical computations of the adequacy of the money, or the maturing principal amounts and interest on any Defeasance Securities, together with any money, in each case deposited with the Trustee pursuant to the Resolution, to provide sufficient money to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest due and to become due on Bonds for which the same has been set aside in trust pursuant to the Resolution.

Weekly Rate means the rate at which a Series 2008 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 2008 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.

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**FINANCIAL STATEMENTS OF
ST. JOHN'S UNIVERSITY
AND INDEPENDENT AUDITORS' REPORT**

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ST. JOHN'S UNIVERSITY

Consolidated Financial Statements

May 31, 2012 and 2011

(With Independent Auditors' Report Thereon)



KPMG LLP
345 Park Avenue
New York, NY 10154-0102

Independent Auditors' Report

The Board of Trustees
St. John's University:

We have audited the accompanying consolidated balance sheets of St. John's University (the University) as of May 31, 2012 and 2011, and the related consolidated statements of activities and cash flows for the years then ended. These consolidated financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of St. John's University as of May 31, 2012 and 2011, and the changes in their net assets and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

KPMG LLP

September 26, 2012

ST. JOHN'S UNIVERSITY

Consolidated Balance Sheets

May 31, 2012 and 2011

Assets	2012	2011
	<u> </u>	<u> </u>
Cash and cash equivalents	\$ 11,542,295	22,947,126
Accounts receivable:		
Students (net of allowance of \$3,700,000 and \$4,300,000 in 2012 and 2011, respectively)	5,123,168	5,339,772
Other	15,640,946	15,836,722
Contributions receivable, net (note 5)	19,822,039	22,129,738
Investments, at fair value (notes 3 and 11)	327,915,262	313,565,230
Deferred bond issuance costs and other assets	10,428,029	10,500,398
Student loans receivable (net of allowance of \$1,843,000 and \$1,705,000 in 2012 and 2011, respectively)	27,095,052	28,755,275
Funds held by bond trustees (notes 7 and 11)	25,026,882	19,238,211
Plant assets, net (notes 6 and 7)	<u>619,800,773</u>	<u>621,493,438</u>
Total assets	<u>\$ 1,062,394,446</u>	<u>1,059,805,910</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 66,611,694	60,283,302
Voluntary separation offer (note 14)	10,484,597	21,048,689
Deferred revenues	11,986,519	11,429,266
Present value of annuities payable	3,557,593	3,961,108
Interest rate swap liability (note 7)	6,611,978	425,258
Refundable U.S. government advances	14,114,969	14,108,856
Long-term debt (notes 7 and 11)	<u>516,412,714</u>	<u>518,789,303</u>
Total liabilities	<u>629,780,064</u>	<u>630,045,782</u>
Commitments and contingencies (notes 3, 13, and 15)		
Net assets (note 4):		
Unrestricted	316,601,951	311,220,699
Temporarily restricted (note 9)	34,110,830	40,273,769
Permanently restricted (note 9)	<u>81,901,601</u>	<u>78,265,660</u>
Total net assets	<u>432,614,382</u>	<u>429,760,128</u>
Total liabilities and net assets	<u>\$ 1,062,394,446</u>	<u>1,059,805,910</u>

See accompanying notes to consolidated financial statements.

ST. JOHN'S UNIVERSITY
Consolidated Statements of Activities
Years ended May 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Changes in unrestricted net assets:		
Operating revenues:		
Tuition and fees (net of scholarship allowances of \$185,243,754 in 2012 and \$181,879,792 in 2011)	\$ 350,262,879	338,339,197
Investment return utilized (note 3):		
Endowment	12,564,486	11,419,445
Other	20,155	17,699
Private gifts, grants, and contracts	12,811,311	9,456,630
Government grants and contracts	13,820,316	14,562,010
Auxiliary enterprises	66,188,809	61,015,736
Other revenues	10,120,929	10,103,539
Net assets released from restrictions	5,755,013	4,950,900
Total operating revenues	<u>471,543,898</u>	<u>449,865,156</u>
Operating expenses (note 10):		
Instruction	168,800,694	160,360,581
Research	7,314,307	7,652,431
Academic support	63,055,546	59,464,381
Student services	43,004,188	42,540,159
Institutional support	82,477,515	77,602,976
Auxiliary enterprises	72,469,312	68,788,727
Total operating expenses	<u>437,121,562</u>	<u>416,409,255</u>
Excess of operating revenues over operating expenses	34,422,336	33,455,901
Nonoperating activities:		
Investment return (less than) greater than amount utilized in operations (note 3)	(22,854,364)	32,425,738
Change in fair value of interest rate swap (note 7)	(6,186,720)	438,126
Net assets reclassification based on adoption of ASC 958-205 and other (note 4)	—	(7,529,865)
Increase in unrestricted net assets	<u>5,381,252</u>	<u>58,789,900</u>
Changes in temporarily restricted net assets:		
Investment return, net (note 3)	(3,248,739)	13,569,406
Private gifts, grants, and contracts	2,840,813	4,022,334
Net assets released from restrictions and reclassified (note 4)	(5,755,013)	2,578,965
(Decrease) increase in temporarily restricted net assets	<u>(6,162,939)</u>	<u>20,170,705</u>
Changes in permanently restricted net assets:		
Private gifts, grants, and contracts	3,635,941	3,748,593
Increase in permanently restricted net assets	<u>3,635,941</u>	<u>3,748,593</u>
Increase in net assets	2,854,254	82,709,198
Net assets at beginning of year	<u>429,760,128</u>	<u>347,050,930</u>
Net assets at end of year	<u>\$ 432,614,382</u>	<u>429,760,128</u>

See accompanying notes to consolidated financial statements.

ST. JOHN'S UNIVERSITY
Consolidated Statements of Cash Flows
Years ended May 31, 2012 and 2011

	2012	2011
Cash flows from operating activities:		
Increase in net assets	\$ 2,854,254	82,709,198
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Change in fair value of interest rate swap	6,186,720	(438,126)
Depreciation	31,278,190	28,334,315
Amortization of deferred bond issuance costs	628,179	643,666
Amortization of bond premium and discount, net	(1,890,183)	(2,059,198)
Bad debt expense – student accounts receivable	2,500,000	2,500,000
Bad debt expense and cancellations and write-offs – student loans	260,458	170,409
Net depreciation (appreciation) in fair value of investments	17,683,663	(52,405,580)
Contributions restricted for permanent investment and capital	(3,975,167)	(3,829,052)
Changes in operating assets and liabilities:		
Student accounts receivable	(2,283,396)	(1,197,456)
Other receivables	195,776	2,269,241
Nonendowment and noncapital contributions receivable	(275,269)	(151,159)
Other assets	(555,810)	462,727
Noncapital accounts payable and accrued expenses	6,211,364	(3,967,241)
Voluntary separation offer	(10,564,092)	(16,341,594)
Deferred revenues	557,253	2,129,996
Net cash provided by operating activities	48,811,940	38,830,146
Cash flows from investing activities:		
Plant assets acquired	(16,585,525)	(8,861,974)
Change in accounts payable and accrued expenses related to plant asset acquisitions	117,028	(3,231,580)
Purchase of investments	(71,316,128)	(78,569,960)
Sale of investments	39,282,433	79,605,353
Student loans – disbursements	(2,242,941)	(3,351,957)
Student loans – collections	3,642,706	2,781,005
Net cash used in investing activities	(47,102,427)	(11,629,113)
Cash flows from financing activities:		
Proceeds from line of credit	15,000,000	19,000,000
Repayment of line of credit	(15,000,000)	(35,000,000)
Payment of long-term debt principal	(13,486,406)	(13,152,180)
Increase in funds held by bond trustees	(5,788,671)	(949,976)
Contributions restricted for permanent investment and capital	3,975,167	3,829,052
Change in endowment and capital receivables	2,582,968	9,315,616
Change in present value of annuities payable	(403,515)	(255,220)
Change in refundable U.S. government advances	6,113	1,689
Net cash used in financing activities	(13,114,344)	(17,211,019)
Net (decrease) increase in cash and cash equivalents	(11,404,831)	9,990,014
Cash and cash equivalents at beginning of year	22,947,126	12,957,112
Cash and cash equivalents at end of year	\$ 11,542,295	22,947,126
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	\$ 16,851,465	17,357,897
Noncash financing and investing activity:		
Plant assets acquired under capital leases	\$ 13,000,000	15,496,665

See accompanying notes to consolidated financial statements.

ST. JOHN'S UNIVERSITY

Notes to Consolidated Financial Statements

May 31, 2012 and 2011

(1) Organization

St. John's University, founded by the Vincentian community in 1870, is an independent not-for-profit institution of higher education, accredited by the Middle States Association of Colleges and Secondary Schools and by the State of New York Department of Education. The University is one of the largest Catholic universities in the United States with more than 20,000 students on six campuses – Queens, Staten Island, Manhattan, and Oakdale in New York; Rome, Italy; and Paris, France. The University offers undergraduate and graduate degree programs in over 100 majors.

The consolidated financial statements of St. John's University include the accounts of the following affiliates (collectively referred to as the University):

- The Risk Foundation, a separately incorporated affiliate, which held net assets of approximately \$4,964,000 as of March 31, 2011, was dissolved in fiscal year 2012. Net assets of approximately \$4,986,000 were distributed to the University. The purpose of the Risk Foundation was to foster academic and industry-related research in the field of insurance and risk management.
- St. John's Paris Association, a separately incorporated French affiliate, incorporated in August 2008, and the accounts of the St. John's University SRL (Rome SRL), a separately incorporated Italian affiliate, incorporated in January 2009. The purpose of these affiliates is to provide a study abroad experience to American students, and especially students of the University, in France and Italy.

(2) Summary of Significant Accounting Policies

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

(a) Basis of Presentation

The University's consolidated financial statements are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP). All material intercompany transactions and balances have been eliminated.

The net assets of the University and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed restrictions. In addition, changes to this category of net assets include restricted gifts whose donor-imposed restrictions were met in the year received, through the passage of time, or through fulfillment of the restricted purpose.

Temporarily restricted net assets – Net assets subject to donor-imposed restrictions that will be met either by actions of the University or the passage of time. Expirations of temporary restrictions on net assets are reported as net assets released from restrictions in the accompanying consolidated statements of activities.

Permanently restricted net assets – Net assets subject to donor-imposed restrictions, which stipulate that the principal be maintained permanently by the University, but permit the University to expend part or all of the income and gains derived therefrom.

ST. JOHN'S UNIVERSITY

Notes to Consolidated Financial Statements

May 31, 2012 and 2011

Revenues and gains and losses on investments and other assets and liabilities are reported as changes in unrestricted net assets unless limited by explicit donor-imposed restrictions or by law. Expenses are reported as decreases in unrestricted net assets.

The University delineates changes in unrestricted net assets as operating or nonoperating activities. Nonoperating activities include investment return in excess of or less than the amount utilized in operations in accordance with the University's spending rate policy, change in fair value of interest rate swaps, and nonrecurring items.

(b) Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include the useful lives of plant assets; allowances for doubtful student accounts and loans; allowance for uncollectible contributions receivable; the valuation of interest rate swaps, depreciation on plant assets, investments, and annuities payable; and reserves for other contingencies.

(c) Cash Equivalents

Cash equivalents consist of money market accounts, demand notes, savings accounts, and certificates of deposit purchased with original maturities of three months or less, except for such instruments purchased by the University's investment managers as part of their ongoing investment strategies.

(d) Investments

The University's investments (including investments held by bond trustees) are reported at estimated fair value based upon quoted market prices or, with respect to alternative investments, at estimated fair value using net asset values as a practical expedient, provided by the general partners of limited partnerships or other external investment managers. These net asset values are reviewed and evaluated by the University. Due to the inherent uncertainties of these estimates, these values may differ from the values that would have been used had a ready market existed for such investments.

(e) Contributions

Contributions, including unconditional promises to give (pledges), are reported as revenues in the period received or pledged. Contributions subject to donor-imposed restrictions that are met in the same reporting period are reported as unrestricted revenues.

Contributions with purpose or time restrictions that are not met in the same reporting period as received are reported as increases in temporarily restricted net assets and are reclassified to unrestricted net assets when the purpose or time restrictions are met. Contributions subject to donor-imposed stipulations that the corpus be maintained permanently are recognized as increases in permanently restricted net assets.

ST. JOHN'S UNIVERSITY

Notes to Consolidated Financial Statements

May 31, 2012 and 2011

Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value.

The University reports contributions of plant assets as increases in unrestricted net assets unless the donor places restrictions on their use. Contributions expected to be received after one year are discounted at a risk-adjusted rate of return. Amortization of the discount is recorded as additional contribution revenue in accordance with the donor-imposed restrictions, if any, on the contribution.

(f) Plant Assets

Plant assets are stated at cost. Library books are not capitalized. Depreciation of plant assets is computed on a straight-line basis over its estimated useful lives as follows:

Buildings	50 years
Building improvements	20 years
Site improvements	10 to 20 years
Furniture and equipment	4 to 10 years

(g) Refundable U.S. Government Advances

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

(h) Tax Status

The University is exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code, except for any unrelated business income activities. A portion of the activities of the Paris Association is subject to corporate income and value added tax (VAT) under the provisions of the French Tax Code. The activities of the Rome SRL are subject to corporate and VAT taxes under the provisions of the Italian Tax Code. The University recognizes the effects of income tax positions only if those positions are more likely than not of being sustained. No provision for income taxes has been made as the University has not recognized any net taxable unrelated business income. The University evaluates, on an annual basis, the effects of any uncertain tax positions on its consolidated financial statements. As of May 31, 2012 and 2011, the University has not identified or provided for any such positions.

(i) Reclassifications

Certain amounts in the 2011 consolidated financial statements have been reclassified to conform to the 2012 presentation.

ST. JOHN'S UNIVERSITY

Notes to Consolidated Financial Statements

May 31, 2012 and 2011

(3) Investments

As of May 31, 2012 and 2011, investments consisted of the following:

	2012		2011	
	Cost	Fair value	Cost	Fair value
Cash equivalents	\$ 4,170,696	4,170,696	4,305,086	4,305,086
Charitable trusts	6,027,607	5,628,465	6,565,221	6,533,252
Equities – domestic	109,715,001	127,806,464	96,125,186	123,195,763
Equities – international	73,612,161	67,094,556	54,456,459	59,601,453
Fixed income securities	16,673,947	18,925,429	16,391,779	18,274,065
Alternative investments	91,672,611	104,289,652	87,893,529	101,655,611
Total	\$ 301,872,023	327,915,262	265,737,260	313,565,230

The University's investment return in 2012 and 2011 was as follows:

	2012	2011
Pooled investments (including equity swap):		
Dividends and interest	\$ 5,030,864	4,480,918
Net (depreciation) appreciation in fair value	(17,593,730)	53,850,644
Investment expenses	(1,028,337)	(967,140)
	(13,591,203)	57,364,422
Short-term and other nonpooled investments, including those held by the bond trustees	72,741	67,866
Total	\$ (13,518,462)	57,432,288
Reported in the consolidated statements of activities as follows:		
Unrestricted operating revenue	\$ 12,584,641	11,437,144
Unrestricted nonoperating revenue	(22,854,364)	32,425,738
Temporarily restricted revenue	(3,248,739)	13,569,406
	\$ (13,518,462)	57,432,288

The University recognized a net loss of approximately \$673,000 in fiscal year 2012 (through termination on January 12, 2012) and a net gain of approximately \$6,400,000 in fiscal year 2011 resulting from the monthly net settlement of a total return equity swap in the notional amount of \$27,800,000 designed to maintain the University's interest in the return on the underlying investments as measured by the Standard & Poor's 500 Index.

(4) Endowment Funds

The University's endowment consists of over 500 individual funds established for a number of purposes. The endowment includes donor-restricted funds, temporarily restricted charitable trusts and annuity funds, and funds designated by the Board of Trustees (the Board) of St. John's University, including operating

ST. JOHN'S UNIVERSITY

Notes to Consolidated Financial Statements

May 31, 2012 and 2011

surpluses to function as endowments. As of May 31, 2012 and 2011, the fair values of certain endowment funds were below their original corpuses. Those deficits totaled approximately \$760,000 and \$48,000, respectively.

In 2010, New York State adopted the *New York Prudent Management of Institutional Funds Act* (NYPMIFA). In accordance with the accounting guidance associated with the adoption of NYPMIFA, the remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the University in a manner consistent with the standard of prudence prescribed by NYPMIFA, and in accordance with the disclosure provisions set forth by Financial Accounting Standards Board Accounting Standards Codification (ASC) 958-205, *Not-for-Profit Entities – Presentation of Financial Statements* (ASC 958-205).

Pursuant to the investment policy approved by the Board, the University has interpreted the NYPMIFA as allowing the University to appropriate for expenditure or accumulate so much of a donor-restricted endowment fund as the University deems prudent for the uses, benefits, purposes, and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument absent explicit donor stipulations to the contrary. As a result of this interpretation, the University has not changed the way permanently restricted net assets are classified.

As a result of the adoption of ASC 958-205, the University reclassified net assets of \$7,529,865 from unrestricted net assets to temporarily restricted net assets in the 2011 consolidated statement of activities.

The tables below present the endowment net assets, excluding permanently restricted pledges of \$1,473,275 and \$3,722,507 at May 31, 2012 and 2011, respectively, by type of fund:

		2012			
		Unrestricted	Temporarily restricted	Permanently restricted	Total
Donor-restricted endowment funds	\$	(759,757)	14,649,909	80,428,326	94,318,478
Board-designated/operating surplus endowment funds		233,596,784	—	—	233,596,784
Total endowment	\$	<u>232,837,027</u>	<u>14,649,909</u>	<u>80,428,326</u>	<u>327,915,262</u>
		2011			
		Unrestricted	Temporarily restricted	Permanently restricted	Total
Donor-restricted endowment funds	\$	(47,734)	22,429,333	74,543,153	96,924,752
Board-designated/operating surplus endowment funds		216,640,478	—	—	216,640,478
Total endowment	\$	<u>216,592,744</u>	<u>22,429,333</u>	<u>74,543,153</u>	<u>313,565,230</u>

ST. JOHN'S UNIVERSITY

Notes to Consolidated Financial Statements

May 31, 2012 and 2011

The University has adopted investment policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while maintaining the purchasing power of the endowment assets. Under this policy, the endowment assets are invested in a manner that is intended to earn, over the market cycle, a compound annual rate of return in excess of inflation, the spending rate, and fund expenses while maintaining a moderate risk level considered prudent based upon all the facts and circumstances known at that time.

The University pools its investments and manages them to achieve a prudent long-term total return. Accordingly, the University established a spending rate policy designed to preserve the value of these investments in real terms and provide a predictable flow of funds to support operations.

Presently, the University's spending rate is equal to 5% of the fair value of the investment pool based on a three-year moving average as of May 31 of each year.

In accordance with NYPMIFA, the University considers the duration and preservation of the fund, the purposes of the University and endowment funds, general economic conditions, the possible effect of inflation and deflation, the expected total return from income and the appreciation of investments, the University's investment policy, and certain other resources in making a determination to appropriate or accumulate endowment funds.

The tables below present the changes in endowment net assets for the years ended May 31, 2012 and 2011, excluding permanently restricted pledges:

	2012			Total
	Unrestricted	Temporarily restricted	Permanently restricted	
Endowment net assets, May 31, 2011	\$ 216,592,744	22,429,333	74,543,153	313,565,230
Investment return:				
Investment income, net	(71,889)	4,074,416	—	4,002,527
Net depreciation	(9,544,999)	(7,834,109)	(63,427)	(17,442,535)
Total investment return	(9,616,888)	(3,759,693)	(63,427)	(13,440,008)
New gifts	—	46,420	5,948,600	5,995,020
Appropriation of endowment net assets for expenditure	(12,564,486)	(4,066,151)	—	(16,630,637)
Transfers and other changes	38,425,657	—	—	38,425,657
Endowment net assets, May 31, 2012	<u>\$ 232,837,027</u>	<u>14,649,909</u>	<u>80,428,326</u>	<u>327,915,262</u>

ST. JOHN'S UNIVERSITY

Notes to Consolidated Financial Statements

May 31, 2012 and 2011

	2011			Total
	Unrestricted	Temporarily restricted	Permanently restricted	
Endowment net assets, May 31, 2010	\$ 186,695,774	5,187,348	70,311,921	262,195,043
Net asset reclassification based on adoption of ASC 958-205	<u>(7,529,865)</u>	<u>7,529,865</u>	—	—
Endowment net assets, May 31, 2010, reclassified	<u>179,165,909</u>	<u>12,717,213</u>	<u>70,311,921</u>	<u>262,195,043</u>
Investment return:				
Investment income, net	2,339,449	—	—	2,339,449
Net appreciation	<u>33,918,730</u>	<u>13,566,377</u>	<u>97,929</u>	<u>47,583,036</u>
Total investment return	36,258,179	13,566,377	97,929	49,922,485
New gifts	—	220,223	4,133,303	4,353,526
Appropriation of endowment net assets for expenditure	(10,245,116)	(4,074,480)	—	(14,319,596)
Transfers and other changes	<u>11,413,772</u>	<u>—</u>	<u>—</u>	<u>11,413,772</u>
Endowment net assets, May 31, 2011	<u>\$ 216,592,744</u>	<u>22,429,333</u>	<u>74,543,153</u>	<u>313,565,230</u>

(5) Contributions Receivable

Contributions receivable were as follows at May 31, 2012 and 2011:

	2012	2011
Amounts expected to be collected in:		
Less than one year	\$ 3,320,309	4,742,020
One to five years	6,181,836	7,996,532
More than five years	<u>25,406,515</u>	<u>25,792,829</u>
	34,908,660	38,531,381
Less:		
Discount for net present value (1.59% – 6.00%)	(14,336,621)	(15,651,643)
Allowance for uncollectible amounts	<u>(750,000)</u>	<u>(750,000)</u>
	<u>\$ 19,822,039</u>	<u>22,129,738</u>

Pledges from five donors accounted for 55% and 52% of gross contributions receivable at May 31, 2012 and 2011, respectively.

ST. JOHN'S UNIVERSITY

Notes to Consolidated Financial Statements

May 31, 2012 and 2011

(6) Plant Assets

Plant assets at May 31, 2012 and 2011 consisted of the following:

	2012		
	Cost	Accumulated depreciation	Net carrying value
Land	\$ 43,346,732	—	43,346,732
Site improvements	44,247,959	32,838,616	11,409,343
Transferable development rights	12,885,508	—	12,885,508
Buildings	518,283,617	134,100,170	384,183,447
Building improvements	217,325,877	83,920,752	133,405,125
Furniture and equipment	65,196,656	30,626,038	34,570,618
Total	\$ <u>901,286,349</u>	<u>281,485,576</u>	<u>619,800,773</u>
	2011		
	Cost	Accumulated depreciation	Net carrying value
Land	\$ 43,346,732	—	43,346,732
Site improvements	43,357,633	30,786,836	12,570,797
Transferable development rights	12,885,508	—	12,885,508
Buildings	516,105,504	124,226,384	391,879,120
Building improvements	201,718,260	73,798,488	127,919,772
Furniture and equipment	62,547,511	29,656,002	32,891,509
Total	\$ <u>879,961,148</u>	<u>258,467,710</u>	<u>621,493,438</u>

The University wrote off approximately \$8,260,000 and \$37,255,000 of fully depreciated furniture and technology and other equipment at May 31, 2012 and 2011, respectively.

ST. JOHN'S UNIVERSITY

Notes to Consolidated Financial Statements

May 31, 2012 and 2011

(7) Long-Term Debt

The University's plant includes acquisition and construction costs for various facilities financed through revenue obligations of the Dormitory Authority of the State of New York (the Dormitory Authority) and capital leases. The following obligations were outstanding at May 31, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Dormitory Authority:		
St. John's University, Insured Revenue Bonds, Series 1998, 4.750%, serial and term bonds due through 2029 (net of unamortized original issue discount of \$216,669 and \$229,414 in 2012 and 2011, respectively) (Series 1998 Bonds) (a)	\$ 34,068,331	35,825,586
St. John's University, Insured Revenue Bonds, Series 2001A, 5.000% to 5.125%, serial and term bonds due through 2019 (net of unamortized original issue discount of \$18,854 and \$21,997 in 2012 and 2011, respectively) (Series 2001A Bonds) (a)	9,961,146	11,123,003
St. John's University, Insured Revenue Bonds, Series 2005A, 3.500% to 5.000%, due serially from 2010 to 2024 (net of unamortized premium of \$379,000 and \$518,921 in 2012 and 2011, respectively) (Series 2005A Bonds) (a)	17,379,000	18,518,921
St. John's University, Insured Revenue Bonds, Series 2007A, 5.000% to 5.250%, term bonds due from 2015 to 2038 (net of unamortized premium of \$5,911,783 and \$6,522,389 in 2012 and 2011, respectively) (Series 2007A Bonds) (a)	119,911,783	120,522,389
St. John's University, Insured Revenue Bonds, Series 2007C, 4.000% to 5.250%, term bonds due to 2031 (net of unamortized premium of \$7,042,037 and \$8,197,581 in 2012 and 2011, respectively) (Series 2007C Bonds) (a)	121,477,037	125,277,581
St. John's University, Revenue Bonds, Series 2008A, variable rate demand bonds due from 2010 through 2031 (interest rate at May 31, 2012 was 0.170% and 2011 was 0.160%) (Series 2008A Bonds) (b) (d)	53,175,000	54,000,000
St. John's University, Revenue Bonds, Series 2008B-1, variable rate demand bonds due from 2010 through 2035 (interest rate at May 31, 2012 was 0.230% and 2011 was 0.160%) (Series 2008B-1 Bonds) (b) (d)	66,575,000	66,985,000

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Notes to Consolidated Financial Statements

May 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
St. John's University, Revenue Bonds, Series 2008B-2, variable rate demand bonds due from 2015 through 2038 (interest rate at May 31, 2012 was 0.220% and 2011 was 0.150%) (Series 2008B-2 Bonds) (b) (d)	\$ 67,760,000	67,760,000
Obligation under capital leases (c)	<u>26,105,417</u>	<u>18,776,823</u>
	<u>\$ 516,412,714</u>	<u>518,789,303</u>

- (a) Under agreements with the Dormitory Authority, the University issued insured revenue bonds to finance construction, renovations, furnishings, and information technology upgrades. The University has granted the Dormitory Authority a security interest in tuition revenue equal to the maximum annual debt service in any one year, and a mortgage on certain property, including certain fixtures, furnishings, and equipment.
- (b) The University entered into an interest rate swap agreement with a notional amount of \$58,400,000 to mitigate interest rate risk associated with a portion of the University's variable rate debt. Under the terms of the agreement, as amended, the University pays a fixed rate of 3.30% and receives 64.20% of the 10-year International Swap Dealers Association (ISDA) rate on the notional amount (\$56,200,000 at May 31, 2012). At May 31, 2012 and 2011, the fair value of the interest rate swap was a liability of \$6,611,978 and \$425,258, respectively. The change in fair value is reported as nonoperating gain or loss in the accompanying consolidated statements of activities.
- (c) The University has entered into multiple master lease and sublease agreements with the Dormitory Authority under the Dormitory Authority's Tax Exempt Leasing Program (TELP). Pursuant to the agreements, the University has borrowed \$43,996,665 (including \$13,000,000 in fiscal year 2012) to fund the purchase of energy efficient equipment and to replace and upgrade various technology equipment. Lease obligations are collateralized by the equipment and are payable in equal monthly installments, including interest, of approximately \$701,115 (expiration dates range from August 21, 2011 through August 10, 2023 and interest rates range from 1.62% to 3.92%).
- (d) The Series 2008A Bonds, Series 2008B-1 Bonds, and Series 2008B-2 Bonds are secured by letters of credit that are scheduled to expire in September 2014.

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Notes to Consolidated Financial Statements

May 31, 2012 and 2011

Future debt service payments, assuming an interest rate of 3.00% on the Series 2008A Bonds, the Series 2008B-1 Bonds, and the Series 2008B-2 Bonds, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total debt service</u>
Year ending May 31:			
2013	\$ 13,833,767	20,578,926	34,412,693
2014	13,234,183	20,107,049	33,341,232
2015	16,251,099	19,534,043	35,785,142
2016	16,677,655	18,884,147	35,561,802
2017	17,082,641	18,236,613	35,319,254
Thereafter	<u>426,236,072</u>	<u>172,713,612</u>	<u>598,949,684</u>
	503,315,417	\$ <u><u>270,054,390</u></u>	<u><u>773,369,807</u></u>
Plus net unamortized premium	<u>13,097,297</u>		
	<u><u>\$ 516,412,714</u></u>		

The University is required to establish and deposit with bond trustees certain funds for the benefit of bondholders. Bond trustees invest such amounts as permitted under the applicable bond agreements until they are withdrawn to affect the purposes for which they were generated. Deposits held by bond trustees, principally U.S. Treasury notes at fair value, consisted of the following at May 31, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Debt service funds	\$ 16,704,498	14,990,583
Building and equipment reserve funds	1,434,686	1,817,257
Construction funds	<u>6,887,698</u>	<u>2,430,371</u>
	\$ <u><u>25,026,882</u></u>	<u><u>19,238,211</u></u>

(8) Pension and Other Retirement Benefits

The University has defined contribution retirement plans covering substantially all academic and nonacademic personnel. Costs for the years ended May 31, 2012 and 2011 were approximately \$12,986,000 and \$12,655,000, respectively.

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Notes to Consolidated Financial Statements

May 31, 2012 and 2011

(9) Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets at May 31, 2012 and 2011 are available for the following purposes:

	<u>2012</u>	<u>2011</u>
Future periods for general university purposes	\$ 8,949,661	7,948,765
Scholarship programs	15,376,618	21,123,074
Educational programs	7,345,924	8,030,785
Capital improvements	756,566	1,051,231
Charitable remainder trusts to support educational and scholarship programs	<u>1,682,061</u>	<u>2,119,914</u>
	<u>\$ 34,110,830</u>	<u>40,273,769</u>

Permanently restricted net assets at May 31, 2012 and 2011 are restricted to investment in perpetuity, with investment return available to support the following activities:

	<u>2012</u>	<u>2011</u>
Scholarship programs	\$ 53,586,827	52,028,837
Educational programs	26,379,102	24,207,165
Other programs	1,224,288	1,254,847
Charitable remainder trusts to support educational and scholarship programs	<u>711,384</u>	<u>774,811</u>
	<u>\$ 81,901,601</u>	<u>78,265,660</u>

(10) Allocation of Certain Expenses

The University allocates operation and maintenance of plant, depreciation, and interest expense based on proportional expenditures using estimates of building square footage and the functional use of each facility financed by debt. For the year ended May 31, 2012 (and comparative totals for the year ended May 31, 2011), the following allocation of expenses was included in the consolidated statement of activities:

	<u>Operation and maintenance of plant</u>	<u>Depreciation</u>	<u>Interest</u>	<u>2012 Total</u>	<u>2011 Total</u>
Instruction	\$ 15,496,077	10,296,951	3,648,964	29,441,992	28,529,719
Research	721,671	585,399	—	1,307,070	1,272,349
Academic support	5,048,927	3,011,468	303,680	8,364,075	8,000,137
Student services	8,441,859	5,436,099	54,313	13,932,271	13,889,301
Institutional support	7,106,421	3,556,082	3,495,105	14,157,608	13,503,632
Auxiliary enterprises	<u>16,307,866</u>	<u>8,392,191</u>	<u>8,013,614</u>	<u>32,713,671</u>	<u>32,528,368</u>
	<u>\$ 53,122,821</u>	<u>31,278,190</u>	<u>15,515,676</u>	<u>99,916,687</u>	
Year ended May 31, 2011	\$ 53,743,527	28,334,315	15,645,664		<u>97,723,506</u>

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Notes to Consolidated Financial Statements

May 31, 2012 and 2011

(11) Fair Value of Financial Instruments

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

The carrying amount of student accounts receivable, other receivables, and accounts payable and accrued expenses approximates fair value due to the short maturity of these financial instruments. The fair value of investments in debt and equity securities, including funds held by bond trustees, is based upon values provided by the external investment managers or quoted market values. The fair value of the interest rate swap is calculated by the counterparty to the agreement using an income approach, and assessed by management for reasonableness.

A reasonable estimate of the fair value of student loans receivable under government loan programs could not be made because the notes are not marketable and can only be assigned to the U.S. government or its designees. The fair value of notes receivable from students under the University's loan programs approximates carrying value.

The fair value of the University's long-term debt (carrying value of \$516,412,714) approximates \$535,000,000 principally reflecting higher than current market rates on the Series 2007A and 2007C bonds.

For financial and nonfinancial instruments measured at fair value on a recurring basis, the University uses the three-tiered hierarchy to categorize those assets and liabilities based on the valuation methodologies employed. In addition, classification of certain of these investments within the fair value hierarchy is based on the University's ability to timely redeem its interest rather than on valuation inputs. This hierarchy is defined as follows:

Level 1 – Valuation based on quoted prices (unadjusted) in an active market that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2 – Valuations based on observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, as well as those alternative investments (measured at net asset value) that are redeemable on or near the balance sheet date.

Level 3 – Valuations based on unobservable inputs are used when little or no market data is available, as well as those alternative investments that are not redeemable near the balance sheet date. The fair value hierarchy gives lowest priority to Level 3 inputs. Transfers in and out of Level 3 are recognized at the beginning of the fiscal year.

As of May 31, 2012, commingled funds and alternative investments are allocated between the following investment strategies:

Hedge fund of funds (\$69,314,778) consists of three funds representing investments in a broad range of investments strategies that seek to exploit opportunities as they occur in the markets due to temporary dislocations or structural inefficiencies. These investments contain various restrictions

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Notes to Consolidated Financial Statements

May 31, 2012 and 2011

with required notice ranging from 65 to 95 days. In addition, a certain portion of these investments are retained by fund managers until the issuance of their respective financial statements.

Private equity fund of funds (\$34,974,874) consists of 10 funds representing limited partnerships, which were formed for the purpose of investing in private equity funds including venture capital, buyouts, growth capital, international private equity, and other private equity investments. Under the terms of certain private equity agreements, the University had open commitments of approximately \$25,200,000 and \$25,500,000 at May 31, 2012 and 2011, respectively. These investments are generally less liquid, and redemption of these investments is at the discretion of the general manager over the duration of the investment term.

Commingled funds (\$41,407,572) consist of two funds representing beneficial interest in an investment trust which purpose is to invest in a diverse portfolio consisting primarily of foreign equity securities that are listed on a foreign exchange or quoted on an established foreign over-the-counter market.

As of May 31, 2012 and 2011, the following tables summarize the redemption frequency by category of commingled funds and alternative investments:

	2012			
	<u>Commingled</u>	<u>Hedge funds</u>	<u>Private equity</u>	<u>Amount</u>
Redemption frequency:				
Monthly	\$ 41,407,572	—	—	41,407,572
Quarterly	—	54,331,854	—	54,331,854
Semiannual	—	10,254,482	—	10,254,482
Lockup	—	4,728,442	—	4,728,442
No redemptions	—	—	34,974,874	34,974,874
Total	<u>\$ 41,407,572</u>	<u>69,314,778</u>	<u>34,974,874</u>	<u>145,697,224</u>
	2011			
	<u>Commingled</u>	<u>Hedge funds</u>	<u>Private equity</u>	<u>Amount</u>
Redemption frequency:				
Monthly	\$ 47,809,265	—	—	47,809,265
Quarterly	—	43,456,383	—	43,456,383
Annual	—	22,735,670	—	22,735,670
Lockup	—	4,802,251	—	4,802,251
No redemptions	—	—	30,661,307	30,661,307
Total	<u>\$ 47,809,265</u>	<u>70,994,304</u>	<u>30,661,307</u>	<u>149,464,876</u>

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Notes to Consolidated Financial Statements

May 31, 2012 and 2011

The following tables present the University's fair value hierarchy for investments, funds held by bond trustees, and bond interest rate swap measured at fair value as of May 31, 2012 and 2011. The charitable trusts included in investments have a corresponding liability of \$3,557,593 and \$3,961,108 at May 31, 2012 and 2011, respectively.

Assets	2012			Total
	Level 1	Level 2	Level 3	
Investments:				
Cash equivalents	\$ 4,170,696	—	—	4,170,696
Equities – domestic:				
Common stock	34,649,473	—	—	34,649,473
Mutual funds	93,156,991	—	—	93,156,991
Equities – international:				
Commingled funds	—	41,407,572	—	41,407,572
Emerging markets mutual funds	25,603,415	—	—	25,603,415
Publicly traded funds	83,569	—	—	83,569
Fixed income securities:				
Income funds – fixed	17,064,665	—	—	17,064,665
U.S. Treasury notes – fixed	210,778	—	—	210,778
Corporate bonds – fixed	—	1,649,986	—	1,649,986
Alternative investments:				
Hedge fund of funds	—	22,030,353	47,284,425	69,314,778
Private equity fund of funds	—	—	34,763,444	34,763,444
Private equity direct investment	—	—	211,430	211,430
Charitable trusts	—	5,628,465	—	5,628,465
Total investments	174,939,587	70,716,376	82,259,299	327,915,262
Funds held by bond trustees:				
U.S. Treasury notes	25,026,882	—	—	25,026,882
Total assets	\$ 199,966,469	70,716,376	82,259,299	352,942,144
Liabilities	Level 1	Level 2	Level 3	Fair value total
Interest rate swap	\$ —	(6,611,978)	—	(6,611,978)

ST. JOHN'S UNIVERSITY

Notes to Consolidated Financial Statements

May 31, 2012 and 2011

Assets	2011			Total
	Level 1	Level 2	Level 3	
Investments:				
Cash equivalents	\$ 4,305,086	—	—	4,305,086
Equities – domestic:				
Common stock	46,625,602	—	—	46,625,602
Mutual funds	76,570,161	—	—	76,570,161
Equities – international:				
Commingled funds	—	47,809,265	—	47,809,265
Emerging markets mutual funds	11,650,874	—	—	11,650,874
Publicly traded funds	141,314	—	—	141,314
Fixed income securities:				
Income funds – fixed	16,093,340	—	—	16,093,340
U.S. Treasury notes – fixed	210,503	—	—	210,503
Corporate bonds – fixed	—	1,970,222	—	1,970,222
Alternative investments:				
Hedge fund of funds	—	22,971,792	48,022,512	70,994,304
Private equity fund of funds	—	—	30,661,307	30,661,307
Charitable trusts	—	6,533,252	—	6,533,252
Total investments	155,596,880	79,284,531	78,683,819	313,565,230
Funds held by bond trustees:				
U.S. Treasury notes	19,238,211	—	—	19,238,211
Total assets	\$ 174,835,091	79,284,531	78,683,819	332,803,441
Liabilities	Level 1	Level 2	Level 3	Fair value total
Interest rate swap	\$ —	(425,258)	—	(425,258)

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May 31, 2012 and 2011

In fiscal year 2011, a net \$9.1 million was reclassified between Level 2 and Level 3 based on the lowest priority of input requirements. The following tables present the changes in Level 3 investments for the years ended May 31, 2012 and 2011:

	2012		
	<u>Private equity</u>	<u>Hedge funds</u>	<u>Total</u>
Fair value at beginning of year	\$ 30,661,307	48,022,512	78,683,819
Unrealized depreciation	361,278	(738,087)	(376,809)
Realized gains	2,659,668	—	2,659,668
Purchase of investments	7,119,437	—	7,119,437
Proceeds from sale or distributions of investments	(5,826,816)	—	(5,826,816)
Fair value at end of year	<u>\$ 34,974,874</u>	<u>47,284,425</u>	<u>82,259,299</u>
	2011		
	<u>Private equity</u>	<u>Hedge funds</u>	<u>Total</u>
Fair value at beginning of year	\$ 19,525,840	34,476,155	54,001,995
Unrealized appreciation	2,877,780	4,444,452	7,322,232
Transfers into Level 3	—	18,784,826	18,784,826
Transfers out of Level 3	—	(9,682,921)	(9,682,921)
Realized gains	2,369,480	—	2,369,480
Purchase of investments	10,050,218	—	10,050,218
Proceeds from sale or distributions of investments	(4,162,011)	—	(4,162,011)
Fair value at end of year	<u>\$ 30,661,307</u>	<u>48,022,512</u>	<u>78,683,819</u>

(12) Lines of Credit

The University maintains two lines of credit totaling \$50 million. A three-year committed line of \$35 million bears interest on borrowings at LIBOR plus 35 basis points. A one-year committed \$15 million line bears interest on borrowings at LIBOR plus 60 basis points. Unused fees of 10 and 20 basis points, respectively, are also charged on these lines. The lines are collateralized by a portion of the University's investments.

The University did not have any outstanding balances on these lines at May 31, 2012 and 2011.

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Notes to Consolidated Financial Statements

May 31, 2012 and 2011

(13) Lease Commitments

The University entered into various operating leases for certain facilities, which commenced in January 2008 and expire at various dates through July 2024. Future minimum rental lease commitments are as follows:

Year ending May 31:	
2013	\$ 6,403,898
2014	6,403,898
2015	5,770,565
2016	5,770,565
2017	5,770,565
Thereafter	<u>45,069,544</u>
	<u>\$ 75,189,035</u>

Rent expense for the years ended May 31, 2012 and 2011 was \$5,388,000 and \$5,004,000, respectively.

(14) Voluntary Separation Offer

During the year ended May 31, 2010, the University extended a Voluntary Separation Offer (VSO) to eligible staff, administrators, and tenured faculty. The VSO provides for separation allowances comprising salary based on length of service and fringe benefits, principally medical coverage, if eligible, and tuition remission. In 2010, the University recorded a VSO charge of \$37,260,166 that will be payable through May 31, 2013.

(15) Contingent Liabilities

The University is a defendant in various lawsuits arising in the normal course of business. Management does not expect the ultimate resolution of these actions to have a material adverse effect on the University's financial position.

(16) Subsequent Events

The University evaluated events subsequent to May 31, 2012 through September 26, 2012, the date on which the consolidated financial statements were issued.

Pursuant to a debt restructuring plan, in August 2012 the University issued the Dormitory Authority of the State of New York St. John's University Revenue Bonds, Series 2012A (Series 2012A Bonds) with a par amount of \$48,460,000, under agreements with the Dormitory Authority. The proceeds from the Series 2012A Bonds were used to refund the Series 1998 Bonds, Series 2001A Bonds, and Series 2005A Bonds. In addition, the University issued the Dormitory Authority of the State of New York St. John's University Revenue Bonds, Series 2012B (Series 2012B Bonds) with a par amount of \$43,930,000. The proceeds from these bonds were used to refund the Series 2008A Bonds.

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

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

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

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

(Section 5)

Amendment of a Project; Sale or Conveyance of Project or Mortgaged Property; Cost Increases; Additional Bonds. A Project may be amended with the prior written consent of an Authorized Officer of the Authority, which consent shall not be unreasonably withheld, to decrease, increase or otherwise modify the scope thereof. Any such increase may provide for the addition of any further acquisition, design, construction, reconstruction, rehabilitation, renovation, improving, or otherwise providing, furnishing and equipping of the Project which the Authority is authorized to undertake.

(Section 6)

Financial Obligations. Except to the extent that money is available therefor under the Resolution or under the Loan Agreement, including money in the Debt Service Fund, but excluding money from any Debt Service Reserve Fund and excluding interest accrued but unpaid on investments held in the Bank Repayment Fund, the University by the Loan Agreement unconditionally agrees to pay or cause to be paid, so long as Bonds are Outstanding, to or upon the order of the Authority, from its general funds or any other money legally available to it:

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

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

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

(iv) On the 10th day of each month commencing on the 10th day of the 6th month immediately preceding the date on which interest on Bonds becomes due, one-sixth (1/6) of the interest coming due on all other Bonds, other than Variable Interest Rate Bonds, on the

immediately succeeding interest payment date on such Bonds; provided, however, that, with respect to such payments, if there are less than six (6) such payment dates prior to the first interest payment date on the Bonds of a Series, on each payment date prior to such interest payment date the University shall pay with respect to such Bonds an amount equal to the interest coming due on such Bonds on such interest payment date multiplied by a fraction, the numerator of which is one (1) and the denominator of which is the number of payment dates prior to the first interest payment date on the Bonds of such Series;

(v) On the 10th day of each month commencing on the 10th day of the July immediately preceding the Bond Year during which the principal or a Sinking Fund Installment of Bonds becomes due, one-twelfth (1/12) of the principal and Sinking Fund Installments on the Bonds coming due during the succeeding Bond Year; provided, however, that, if there are less than twelve (12) such payment dates prior to the date on which principal or Sinking Fund Installments come due on Bonds of a Series, on each payment date prior to such date, the University shall pay with respect to such Bonds an amount equal to the principal and Sinking Fund Installments of such Bonds coming due on such date multiplied by a fraction, the numerator of which is one (1) and the denominator of which is the number of payment dates prior to the July 1 of the Bond Year during which such principal or Sinking Fund Installment comes due;

(vi) At least fifteen (15) days prior to any date on which the Redemption Price or purchase price of Bonds previously called for redemption or to be purchased, other than an Option Bond to be purchased or redeemed pursuant to an optional or mandatory tender thereof, is to be paid, the amount required to pay the Redemption Price or purchase price of such Bonds;

(vii) On December 10 of each Bond Year one-half (1/2) of the Annual Administrative Fee payable during such Bond Year in connection with each Series of Bonds, and on June 10 of each Bond Year the balance of the Annual Administrative Fee payable during such Bond Year; provided, however, that the Annual Administrative Fee with respect to a Series of Bonds payable during the Bond Year during which such Annual Administrative Fee became effective shall be equal to the Annual Administrative Fee with respect to such Series of Bonds multiplied by a fraction, the numerator of which is the number of calendar months or parts thereof remaining in such Bond Year and the denominator of which is twelve (12);

(viii) Promptly after notice from the Authority, but in any event not later than fifteen (15) days after such notice is given, the amount set forth in such notice as payable to the Authority (i) for the Authority Fee then unpaid, (ii) to reimburse the Authority for payments made by it pursuant to the Loan Agreement and any expenses or liabilities incurred by the Authority pursuant to the Loan Agreement, (iii) to reimburse the Authority for any external costs or expenses incurred by it attributable to the issuance of a Series of Bonds or the financing or construction of a Project, including but not limited to any fees or other amounts payable by the Authority under a Remarketing Agreement or a Liquidity Facility, (iv) for the costs and expenses incurred by the Authority to compel full and punctual performance by the University of all the provisions of the Loan Agreement, any Mortgage and the Resolution in accordance with the terms thereof and (v) for the fees and expenses of the Trustee in connection with performance of their duties under the Resolution;

(ix) Promptly upon demand by an Authorized Officer of the Authority (a copy of which shall be furnished to the Trustee), all amounts required to be paid by the University as a result of an acceleration pursuant to the summarized section under the heading "Defaults and Remedies";

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

(xi) Upon receipt of a notice from the Trustee by 2:00 P.M., New York City Time, on the date Option Bonds are tendered for purchase by the Holders thereof or on the date Variable Interest Rate Bonds are subject to mandatory tender for purchase, as the case may be, the University shall by 2:30 P.M., New York City time, on such date pay the amount, in immediately available funds, required to pay the purchase price of such Option Bonds or Variable Interest Rate Bonds less than the principal amount thereof and which is not to be paid from money to be made available pursuant to a Letter of Credit; provided, however, that if notice thereof is given to the University after 2:00 P.M., New York City time, then such amount shall be paid, in immediately available funds, by 10:00 A.M., New York City time, on the next succeeding day;

(xii) Promptly upon receipt of a Deficiency Notice, but in no event more than fifteen (15) days thereafter, the amount required to restore the applicable Debt Service Reserve Fund to its requirement; and

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

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

The Authority by the Loan Agreement directs the University, and the University by the Loan Agreement agrees, to make the payments required: by subparagraphs (iii), (iv), (v), and (ix) of this section directly to the Trustee for deposit and application in accordance with Section 5.06 of the Resolution; the payments required by subparagraph (ii) of this section directly to the Trustee for deposit in the Construction Fund or other fund established under the Resolution, as directed by an Authorized Officer of the Authority; the payments required by paragraphs (i), (vii), (viii) and (xiii) of this section directly to the Authority; the payments required by subparagraph (x) of this section to or upon the order of the Authority; the payments required by subparagraph (xi) directly to the Trustee for application in accordance with the Bond Series Certificate applicable to such Option Bonds or Variable Interest Rate Bonds; and the payments required by paragraph (a)(xii) directly to the Trustee for deposit to the applicable Debt Service Reserve Fund.

Notwithstanding any provisions in the Loan Agreement or in the Resolution to the contrary (except as otherwise specifically provided for in this subdivision), all money paid by the University to the Trustee pursuant to the Loan Agreement or otherwise held by the Trustee shall be applied in reduction of the University's indebtedness to the Authority under the Loan Agreement, first, with respect to interest and, then, with respect to the principal amount of such indebtedness, but only to the extent that, (i) with respect to interest on such indebtedness, such money is applied to the payment of, or to reimburse a Bank for advances made by it under a Letter of Credit for the payment of interest on Outstanding Bonds, and (ii) with respect to the principal of such indebtedness, such money (x) has been applied to the payment of, or to reimburse a Bank for advances made by it under a Letter of Credit for, payments in reduction of the principal amount or Redemption Price of Outstanding Bonds or (y) set aside and is held for the payment of the principal or Redemption Price of Outstanding Bonds as a result thereof, Bonds have been paid or deemed to have been paid in accordance with Section 12.01(b) of the Resolution. Except as otherwise provided in the Resolution, the Trustee shall hold such money in trust in accordance with the applicable provisions of the Resolution for the sole and exclusive benefit of the Holders of Bonds, regardless of the actual due date or applicable payment date of any payment to the Holders of Bonds.

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

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

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

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

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

(Section 9)

Consent to Pledge and Assignment and Intercreditor Agreement. The University consents to and authorizes the assignment, transfer or pledge by the Authority to the Trustee and the Banks of the Authority's rights to receive any or all of the payments required to be made pursuant to subparagraphs (iii), (iv), (v), (vi), and (ix) of the summarized section titled "Financial Obligations", any or all security interests granted by the University under the Loan Agreement, including without limitation the security interest in the Pledged Revenues, any Mortgage, any security interest in fixtures, furnishings and equipment located or used in connection with the Mortgaged Property, and all funds and accounts established by the Resolution and pledged under the Resolution in each case to secure any payment or the performance of any obligation of the University under the Loan Agreement, under a Reimbursement 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 or the Banks. The University further agrees that the Authority may pledge and assign to the Trustee or the Banks any and all of the Authority's rights and remedies under the Loan Agreement. Upon any pledge and assignment by the Authority to the Trustee authorized by this section, the Trustee, the Bank, or all of them 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 University's obligation to make all payments required by the Loan Agreement and to performing all other obligations required to be performed by the University under the Loan Agreement or under the Reimbursement Agreements. Any realization upon any Mortgaged Property, any pledge made or security interest granted by the Loan Agreement shall not, by operation of law or otherwise, result in cancellation or termination of the Loan Agreement or the obligations of the University under the Loan Agreement. The University, the Authority and the Banks each acknowledge and agree that, pursuant to the Reimbursement Agreements, as between the University and each Bank, any conflict between, on the one hand, the Loan Agreement and the Mortgage and, on the other, a Reimbursement Agreement, shall be resolved in favor of such Reimbursement Agreement. Notwithstanding anything else to the contrary, set forth in the Loan Agreement, the University, the Authority and the Banks each acknowledge and agree that relative priority of their claims with respect to the Pledged Revenues and the Mortgaged Property shall be governed by the Intercreditor Agreement, dated September 24, 2008, by and among the Authority, the Trustee, the Bank and MBIA.

(Section 14)

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

(Section 16)

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

The University agrees that with respect to any Project or portion thereof, so long as such Project or portion thereof exists and unless and until such Project or portion thereof is sold for the fair market value thereof, such

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

(Sections 20 and 21)

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

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

(Sections 23)

Covenant as to Insurance. The University 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 University, 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 University shall at all times also maintain worker's compensation coverage and disability benefits insurance coverage as required by the laws of the State.

The University shall furnish to the Authority annually (1) a certificate or report of an Insurance Consultant that the insurance coverage maintained by the University 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.

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

Reporting Requirements. Reports. The University shall furnish or cause to be furnished to the Authority, the Trustee and such other persons as the Authority may designate:

(i) within thirty (30) days after the beginning of each Fiscal Year of the University, the budget for such Fiscal Year;

(ii) annually, within one hundred twenty (120) days after the end of the University's Fiscal Year, (A) a copy of (1) the annual audited combined financial statements of the University and its affiliates, if any, for such Fiscal Year, (2) the annual audited financial statement of the University for such Fiscal Year, if separate audited financial statements for the University have been prepared for such Fiscal Year, and (3) the audited consolidated financial statements of the University and its affiliates, if any, if audited such audited consolidated statements have been prepared for such Fiscal Year, in each case 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 University, in each case audited by a 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 the University's auditors stating whether an Event of Default, or, to the best of the auditors' 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 Center setting forth the action that the University proposes to take with respect thereto;

(iii) prompt written notice, but in no event more than thirty (30) days after commencement, of any adverse litigation or judicial or administrative proceeding, audit or investigation in which an adverse determination may have a material adverse effect on the financial or operating condition of the University;

(iv) prompt written notice, but in no event more than thirty (30) days any loss or change, the loss or change in the chief executive officer, the chief operating officer, president, or chief financial officer of the University;

(v) prompt written notice of any pending formation, acquisition, merger, consolidation, change in ownership or dissolution of or by the University or an affiliate and, within ten (10) days after any of the foregoing becomes effective;

(vi) prompt written notice of any change in name of the University;

(vii) such reports with respect to the condition of, and repairs, replacements, renovations, and maintenance, to any Projects or Mortgage Property as the Authority may from time to time reasonably request; and

(viii) such other information respecting the business, property or the condition or operations, financial or otherwise, of the University and its affiliates as the Authority may from time to time reasonably request (other than information the University or such affiliate 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 Series 2008ABonds for sale.

Access to Records. At any and all reasonable times and from time to time, permit the Authority, 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 University and each affiliate and to discuss the affairs, finances and accounts of the University and the affiliates with any of their respective officers.

(Section 27)

Defaults and Remedies. As used in the Loan Agreement the term “Event of Default” shall mean:

(i) the University shall (A) default in the timely payment of any amount payable pursuant to the summarized section titled “Financial Obligations” (other than pursuant to subsections (iii) or (xi) in the summarized section titled “Financial Obligations”) or in the delivery of Exempt Obligations or Government Obligations or the payment of any other amounts required to be delivered or paid by or on behalf of the University in accordance with the Loan Agreement or with the Resolution, and such default continues for a period in excess of seven (7) days or (B) default in the timely payment of any amount payable pursuant to subsection (iii) or (xi) in the summarized section titled “Financial Obligations”; or

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

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

(iv) the University shall be in default under the Mortgage and such default continues beyond the applicable grace period; or

(v) the University shall (A) be generally not paying its debts as they become due, (B) file, or consent by answer or otherwise to the filing against it of, a petition under the United States Bankruptcy Code or under any other bankruptcy or insolvency law of any jurisdiction, (C) make a general assignment for the benefit of its general creditors, (D) consent to the appointment of a custodian, receiver, trustee or other officer with similar powers of itself or of any substantial part of its property, (E) be adjudicated insolvent or be liquidated or (F) take corporate action for the purpose of any of the foregoing; or

(vi) a court or governmental authority of competent jurisdiction shall enter an order appointing, without consent by the University, a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, or an order for relief shall be entered in any case or proceeding for liquidation or reorganization or otherwise to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of the University, or any petition for any such relief shall be filed against the University and such petition shall not be dismissed or stayed within ninety (90) days; or

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

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

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

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

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

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

Subject to the express provisions of the applicable Intercreditor Agreement, upon the occurrence of an Event of Default the Authority may take any one or more of the following actions:

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

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

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

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

(v) permit, direct or request the Trustee to liquidate all or any portion of the assets of the applicable Debt Service Reserve Funds by selling the same at public or private sale in any commercially reasonable manner and apply the proceeds thereof and any dividends or interest received on investments thereof to the payment of the principal or Redemption Price of and interest on the Bonds secured by such Debt Service Reserve Funds, or any other obligation or liability of the University or the Authority arising from the Loan Agreement or from the Resolution;

(vi) realize upon any pledge of or security interest in the Pledged Revenues and the rights to receive the same, by any one or more of the following actions: (A) enter the University and examine and make copies of the financial books and records of the University relating to the Pledged Revenues and, to the extent of the assigned Pledged Revenues, take possession of all checks or other orders for payment of money and moneys in the possession of the University representing Pledged Revenues or proceeds thereof; (B) notify any account debtors obligated on any Pledged Revenues to make payment directly to the Authority or to the Trustee, as the Authority may direct, and of the amount to be so paid; provided, however, that (1) the Authority may, in its discretion, immediately collect the entire amount of interest, principal, or Sinking Fund Installments, if any, coming due on Outstanding Bonds on the next interest payment date therefor, subject to the Prior Pledges, and may continue to do so commencing on each such interest payment date to the extent of amounts due on Outstanding Bonds on the next interest payment date therefor, with respect to the Pledged Revenues, until such amounts are fully collected, (2) written notice of such notification shall be mailed to the University five (5) days prior to mailing or otherwise making such notification to account debtors and (3) until the University shall receive such notice, it shall have full authority and responsibility to enforce and collect Pledged Revenues owing from its account debtors; (C) following the above-mentioned notification to account debtors, collect, compromise, settle, compound or extend amounts payable as Pledged Revenues which are in the form of accounts receivable or contract rights from the University's account debtors by suit or other means and give a full acquittance therefor and receipt therefor in the name of the University whether or not the full amount of any such account receivable or contract right owing shall be paid to the Authority; (D) require the University to deposit all moneys, checks or other orders for the payment of money which represent Pledged Revenues in an amount equal to the Pledged Revenues assigned under the Loan Agreement within five (5) Business Days after receipt of written notice of such requirement, and thereafter as received, into a fund or account to be established for such purpose by the Authority; provided, however, that (1) the moneys in such fund or account shall be applied by the Authority to the payment of any of the obligations of the University under the Loan Agreement, including the fees and expenses of the Authority, (2) the Authority in its sole discretion may authorize the University to make withdrawals from such fund or account for its corporate purposes and (3) the requirement to make such deposits shall cease and the balance of such fund or account shall be paid to the University when all Events of Default under the Loan Agreement by the University have been cured; (E) forbid the University to extend, compromise, compound or settle any accounts receivable or contract rights which represent any unpaid assigned Pledged Revenues, or release, wholly or partly, any person liable for the payment thereof (except upon receipt of the full amount due) or allow any credit or discount thereon; or (F) endorse in the name of the University any checks or other orders for the payment of money representing any unpaid assigned Pledged Revenues or the proceeds thereof;

(vii) to the extent permitted by law, (A) enter upon a Project and complete the construction of any Project in accordance with the plans and specifications with such changes therein as the Authority may deem appropriate and employ watchmen to protect the Projects, all at the risk, cost and expense of the University, consent to such entry being by the Loan Agreement given by the University, (B) at any time discontinue any work commenced in respect of the construction of any Project or change any course of action undertaken by the University and not be bound by any limitations or requirements of time whether set forth in the Loan Agreement or otherwise, (C) assume any construction contract made by the University in any way relating to the construction of any Project and take over and use all or any part of the labor, materials, supplies and equipment contracted for by the University, whether or not previously incorporated into the construction of such Project, and (D) in connection with the construction of any 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 such Project, (2) pay, settle or compromise all bills or claims which may become Liens against a Project or against any money of the Authority applicable to the construction of a Project, or which have been or may be incurred in any manner in connection with completing the construction of a Project or for the discharge of

Liens or defects in the title to a Project or against any money of the Authority applicable to the construction of a Project, and (3) take or refrain from taking such action under the Loan Agreement as the Authority may from time to time determine. The University shall be liable to the Authority for all sums paid or incurred for construction of any Project whether the same shall be paid or incurred pursuant to the provisions of this 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 University to the Authority upon demand. The University by the Loan Agreement irrevocably constitutes and appoints the Authority as its true and lawful attorney-in-fact to execute, acknowledge and deliver any instruments and to do and perform any acts in the name and on behalf of the University for the purpose of exercising the rights granted to the Authority by this subparagraph (vii) during the term of the Loan Agreement;

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

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

All rights and remedies in the Loan Agreement given or granted to the Authority are cumulative, non-exclusive and in addition to any and all rights and remedies that the Authority may have or may be given by reason of any law, statute, ordinance or otherwise, and no failure to exercise or delay in exercising any remedy shall effect a waiver of the Authority's right to exercise such remedy thereafter.

(Section 30)

Termination. The Loan Agreement shall remain in full force and effect until no Bonds are Outstanding and until all other payments, expenses and fees payable under the Loan Agreement by the University shall have been made or provision made for the payment thereof; provided, however, that the liabilities and the obligations of the University under subsection (vii) of the summarized section titled "Financial Obligations" and to provide reimbursement for or indemnification against expenses, costs or liabilities made or incurred pursuant to the Loan Agreement shall nevertheless survive any such termination. Upon such termination, an Authorized Officer of the Authority shall promptly deliver such documents as may be reasonably requested by the University to evidence such termination and the discharge of the University's duties under the Loan Agreement, including satisfaction of the Mortgage and the release or surrender of any security interests granted by the University to the Authority pursuant to the Loan Agreement.

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SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

The following is a brief summary of certain provisions of the Resolution pertaining to the Series 2008B-2 Bonds and the Project. Such summary does not purport to be complete and reference is made to the Resolution for full and complete statements of such and all provisions. Defined terms used herein shall have the meanings ascribed to them in Appendix A.

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Resolution and Bonds Constitute a Contract.

With respect to the Bonds, in consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued under the Resolution by those who shall hold or own the same from time to time, the Resolution shall be deemed to be and shall constitute a contract among the Authority, the Trustee and the Holders from time to time of such Bonds, and the pledge and assignment to the Trustee made in the Resolution and the covenants and agreements set forth to be performed by or on behalf of the Authority shall be for the equal and ratable benefit, protection and security of the Holders of any and all of such Bonds, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any such Bonds over any other Bonds except as expressly provided in the Resolution or permitted by the Resolution.

(Section 1.03)

Refunding Bonds and Additional Obligations.

All or any portion of one or more Series of Refunding Bonds may be authenticated and delivered upon original issuance to refund all Outstanding Bonds, one or more Series of Outstanding Bonds, a portion of a Series of Outstanding Bonds or a portion of a maturity of a Series of Outstanding Bonds. The Authority may issue Refunding Bonds in an aggregate principal amount sufficient, together with other money available therefor, to accomplish such refunding and to make such deposits required by the provisions of this section and of the Series Resolution authorizing such Series of Refunding Bonds.

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

(a) If the Bonds to be refunded are to be redeemed, irrevocable instructions to the Trustee, satisfactory to it, to give due notice of redemption of all the Bonds to be refunded on a redemption date specified in such instructions;

(b) Irrevocable instructions to the Trustee, satisfactory to it, to duly give the notice provided for in the Resolution to the Holders of the Bonds being refunded;

(c) Either (i) Available Money in an amount sufficient to effect payment at the applicable Redemption Price of the Bonds to be refunded, together with accrued interest on such Bonds to the maturity or redemption date, which Available Money shall be held by the Trustee in a separate account irrevocably in trust for and assigned to the respective Holders of the Bonds to be refunded or (ii) Defeasance Securities purchased with Available Money in such principal amounts, of such maturities, bearing such interest and otherwise having such terms and qualifications, as shall be necessary to comply with the provisions of the Resolution, which Defeasance Securities and Available Money shall be held in trust and used only as provided in said section; and

(d) A certificate of an Authorized Officer of the Authority containing such additional statements as may be reasonably necessary to show compliance with the requirements of this section.

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

The Authority reserves the right to issue bonds, notes or any other obligations or otherwise incur indebtedness pursuant to other and separate resolutions or agreements of the Authority, so long as such bonds, notes or other obligations are not, or such other indebtedness is not, except as provided in the Resolution, entitled to a charge, lien or right prior or equal to the charge or lien created by the Resolution, or prior or equal to the rights of the Authority and Holders of Bonds.

(Sections 2.04 and 2.05)

Pledge of Resolution.

There is pledged and assigned to the Trustee, under the Resolution, as security for the payment of the principal and Redemption Price of and interest on Outstanding Bonds and for the performance of any other obligation of the Authority under the Resolution and under any Series Resolution, all in accordance with the provisions of the Resolution and thereof: (i) the proceeds from the sale of the Bonds, (ii) the Revenues, (iii) the Authority's security interest in the Pledged Revenues and (iv) all funds and accounts established by the Resolution, other than the Arbitrage Rebate Fund, are pledged and assigned to the Trustee as security for the payment of the principal and Redemption Price of and interest on the Bonds. Notwithstanding the foregoing: (x) a Debt Service Reserve Fund established in connection with the Bonds of one or more particular Series shall be solely pledged to and secure payment of the Outstanding Bonds of such Series and no Bonds or any other Series shall have any right or interest in such Debt Service Reserve Fund; and (y) the proceeds derived from the remarketing of Option Bonds tendered or deemed to have been tendered for purchase or redemption in accordance with the Series Resolution authorizing the issuance of such Bonds or the Bond Series Certificate relating to such Bonds or derived from a Letter of Credit relating to such Bonds, and any fund or account established by or pursuant to such Series Resolution for the payment of the purchase price or Redemption Price of Option Bonds so tendered or deemed to have been tendered, shall not be held in trust for the benefit of the Holders of Bonds other than such Option Bonds and are pledged for the payment of the purchase price or Redemption Price of such Option Bonds.

The pledges made by the Resolution or by or pursuant to a Series Resolution shall be valid, binding and perfected from the time when the pledges attach and the Authority's property and rights therein or thereto so pledged shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of such pledge shall be valid, binding and perfected as against all parties having claims of any kind in tort, contract or otherwise against the Authority irrespective of whether such parties have notice thereof. No instrument by which such pledge is created nor any financing statement need be recorded or filed. The Bonds shall be special obligations of the Authority payable solely from and secured by a pledge of the proceeds from the sale of the Bonds, the Revenues, the Authority's security interest in the Pledged Revenues and the funds and accounts established and pledged by the Resolution, which pledge shall constitute a first lien thereon, subject to only, with respect to the Pledged Revenues, the Prior Pledges.

(Section 5.01)

Tax Exemption; Rebates. In order to maintain the exclusion from gross income for purposes of federal income taxation of interest on the Authorized Bonds, the Authority shall comply with the provisions of the Code applicable to the Authorized Bonds, including without limitation the provisions of the Code relating to the computation of the yield on investments of the "gross proceeds" of the Authorized Bonds, as such term is defined in the Code, reporting of the earnings on such gross proceeds and rebates of earnings on such gross proceeds to the Department of the Treasury of the United States of America. In furtherance of the foregoing, the Authority shall comply with the provisions of the Tax Certificate and with such written instructions as may be provided by Bond Counsel or a special tax counsel.

The Authority shall not take any action or fail to take any action which would cause the Authorized Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code; nor shall any part of the proceeds of the Authorized Bonds or any other funds of the Authority be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Authorized Bond to be an "arbitrage bond" within the meaning of Section 148(a) of the Code.

The Authority shall make any and all payments required to be made to the United States Department of the Treasury in connection with the Authorized Bonds pursuant to Section 148(f) of the Code from amounts on deposit in the Arbitrage Rebate Fund and available therefor.

(Section 5.01 of the Series Resolution)

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

Construction Fund;
Debt Service Fund;
Debt Service Account;
Redemption Account;
Bank Repayment Fund; and
Arbitrage Rebate Fund.

In addition to the foregoing funds and account established by the Resolution, the Authority may establish such other funds and accounts as the Authority deems proper or desirable. Except as otherwise provided in the Resolution, all money at any time deposited in any fund or account created and pledged by the Resolution or by any Series Resolution or required thereby to be created shall be held in trust for the benefit of the Holders of Bonds and each Bank, but shall nevertheless be disbursed, allocated and applied solely for the uses and purposes provided in the Resolution.

(Section 5.02)

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

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

(Section 5.03)

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

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

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

Second: To the Debt Service Reserve Funds, pro rata based upon their respective Debt Service Reserve Requirement, such amount as shall be necessary to make the amount on deposit in each such Debt Service Reserve Fund equal to the respective Debt Service Reserve Requirement therefor;

Third: To the Bank, an amount, if any, equal to any amounts due and owing to a Bank under the applicable Reimbursement Agreement to reimburse such Bank for money advanced by it under the applicable Letter of Credit which are then unpaid; and

Fourth: To the Redemption Account, to be applied in accordance with the Resolution, any balance remaining.
(Section 5.04)

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

First: To the Bank Repayment Fund, the amount necessary to make the amount in the Bank Repayment Fund equal to the sum of (i) the principal and Sinking Fund Installments payable on Outstanding Bonds during the next succeeding Bond Year, (ii) the Redemption Price of Outstanding Bonds theretofore called for redemption and (iii) the interest on Outstanding Bonds remaining to be paid during such Bond Year and assuming that Variable Interest Bonds will interest, from and after the next date on which the rate at which such Variable Interest Rate Bonds bears interest is to be adjusted, at a rate per annum equal to the rate per annum which such Bonds then bear interest, plus one percent (1%) per annum;

Second: To replenish each Debt Service Reserve Fund to its Debt Service Reserve Requirement, pro rata based upon their respective Debt Service Reserve Requirements;

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

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

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

(Section 5.07)

Bank Repayment Fund. Money in the Bank Repayment Fund on the date money is advanced by a Bank pursuant to a Letter of Credit for payment of the principal or Redemption Price of or interest on Outstanding Bonds shall be promptly paid by the Trustee to such applicable Bank in such amount as will reimburse such Bank for the amount so advanced by it. If, with respect to the applicable Letter of Credit for Outstanding Bonds, the Bank has failed by the time required by the applicable Bond Series Certificate and Letter of Credit to honor a drawing by the Trustee to pay the principal or Redemption Price of or interest on such Bonds, then the money in the Bank Repayment Fund for purposes of reimbursing such Bank for such draw, whether or not such money constitutes Available Money, shall be applied by 3:00 P.M., New York City time, on the day such principal, Redemption Price or interest is due, to the payment thereof to the extent insufficient Available Money was made available by the Bank. As soon as practicable after such payment is made, the Trustee shall notify the Authority and the University of such payment.

Notwithstanding the provisions of the previous paragraph, 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 next date on which a Sinking Fund Installment is due, direct the Trustee to purchase, with Available Money in the Bank Repayment Fund, at a price not in excess of par plus interest accrued and unpaid to the date of such purchase, Term Bonds to be redeemed

from such Sinking Fund Installments on such date, but in no event in an aggregate principal amount in excess of such Sinking Fund Installment. Any Term Bond so purchased shall be cancelled 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 cancelled shall be credited against the Sinking Fund Installment due on such date on such Term Bonds.

(Section 5.08)

Arbitrage Rebate Fund. The Trustee shall deposit to the Arbitrage Rebate Fund any money delivered to it by the University for deposit therein and, notwithstanding any other provisions of the Resolution, shall transfer to the Arbitrage Rebate Fund, in accordance with the directions of an Authorized Officer of the Authority, money on deposit in the Construction Fund 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 deposited to any fund or account established under the Resolution in accordance with the written direction of such Authorized Officer.

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

(Section 5.09)

Application of Money for Retirement of Bonds.

Notwithstanding any other provisions of the Resolution, if at any time the amounts held in the Debt Service Reserve Funds are sufficient (i) to pay the principal or Redemption Price of all Outstanding Bonds secured by such Debt Service Reserve Fund 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 (ii) to make provision pursuant to the Resolution for the payment of the Outstanding Bonds at the maturity or redemption dates thereof, the Trustee shall so notify the Authority and the University. Upon receipt of such notice, the Authority may (i) direct the Trustee to redeem all such Outstanding Bonds, whereupon the Trustee shall proceed to redeem or provide for the redemption of such Outstanding Bonds in the manner provided for redemption of such Bonds by the Resolution and by each Series Resolution as provided in the Resolution, or (ii) give the Trustee irrevocable instructions in accordance with the Resolution and make provision for the payment of the Outstanding Bonds at the maturity or redemption dates thereof in accordance with such instructions, and, in either case, apply the money in such Debt Service Reserve Fund thereto.

(Section 5.10)

Investment of Funds. (a) Money held under the Resolution by the Trustee (other money in the Debt Service Account, which shall be held uninvested), 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 money in the Redemption Account shall be invested only in Government Obligations that mature not more than thirty (30) days after such investment is made; provided, further, that each such investment shall permit the money so 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.

(b) 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 the Construction Fund or a 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.

(c) 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.

(d) 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.

(e) 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 University in writing, on or before the fifteenth (15th) day of each calendar month, of the amounts required to be on deposit in each fund and account under the Resolution and of the details of all investments held for the credit of each fund and account in its custody under the provisions of the Resolution as of the end of the preceding month and as to whether such investments comply with the provisions of paragraphs (a), (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.

(Section 6.02)

Creation of Liens. Except as permitted by the Resolution, the Authority shall not create, cause to be created or suffer or permit the creation of any lien or charge prior or equal to that of the Bonds on the proceeds from the sale of the Bonds, the Revenues, the Pledged Revenues or the funds and accounts established and pledged by the Resolution or by or pursuant to any Series Resolution, other than, with respect to the Pledged Revenues, the Prior Pledges; provided, however, that nothing contained in the Resolution shall prevent the Authority from issuing bonds, notes or other obligations under another and separate resolution so long as the charge or lien created by such resolution is not prior or equal to the charge or lien created by the Resolution.

(Section 7.06)

Amendment of Loan Agreement. Except as expressly otherwise provided in this section, the Loan Agreement may not be amended, changed, modified, altered or terminated nor may any provision thereof be waived if any such amendment, change, modification, alteration, termination or waiver would adversely affect the interest of the Holders of Outstanding Bonds in any material respect unless consented to in writing by (a) the Holders of at least a majority in aggregate principal amount of the Bonds then Outstanding, or (b) in case less than all of the several Series of Bonds then Outstanding are affected by the modifications or amendments, the Holders of not less than a majority in aggregate principal amount of the Bonds of each Series so affected then Outstanding; provided, however, that if such amendment, change, modification, alteration, termination or waiver will, by its terms, not take effect so long as any Bonds of any specified Series remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this section; provided, further, that no such amendment, change, modification, alteration, termination will reduce the percentage of the aggregate principal amount of Outstanding Bonds the consent of the Holders of which is a requirement for any such amendment, change, modification, alteration or termination, or decrease the amount of any payment required to be made by the University under the Loan Agreement that is to be

deposited with the Trustee or extend the time of payment thereof. Any consent given pursuant to this paragraph by the Holders of Bonds shall, except as otherwise provided in this section, be given in the same manner required by the Resolution.

The Loan Agreement may be amended, changed, modified or altered (i) to make changes necessary or appropriate in connection with the acquisition, construction, reconstruction, rehabilitation and improvement, or otherwise providing, furnishing and equipping of any facilities constituting a part of any Project or to otherwise amend the Project or (ii) with the consent of the Trustee, to cure any ambiguity, or to correct or supplement any provisions contained in the Loan Agreement which may be defective or inconsistent with any other provisions contained in the Resolution or in the Loan Agreement. Except as otherwise provided in this section, the Loan Agreement may be amended, changed, modified or altered without the consent of the Holders of Outstanding Bonds or the Trustee. Prior to execution by the Authority of any amendment, a copy thereof certified by an Authorized Officer of the Authority shall be filed with the Trustee.

For the purposes of this section, the purchasers of Bonds, whether purchasing as underwriters, Remarketing Agent or otherwise, 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 or Remarketing Agent or for resale, the nature of the amendment, change, modification, alteration, termination or waiver and the provisions for the purchaser consenting thereto shall be described in the official statement, prospectus, offering memorandum or other offering document prepared in connection with the initial offering, reoffering or resale of the Bonds of such Series. 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 thereto; "Auction Date" means, with respect to particular any Auction Rate Bond, the date on which an auction is held or required to be held for such Bond in accordance with the procedures established therefore; and "Winning Bid Rate" when used with respect to an auction held for any particular Auction Rate Bond, shall have the meaning given to such term in the Series Resolution authorizing such Auction Rate Bond or the Bond Series Certificate related thereto, or, if not otherwise defined, means the lowest rate specified in any purchase bid submitted in such auction, which, if selected, would cause the aggregate principal amount of Auction Bonds offered to be sold in such auction to be subject to purchase bids at rates no greater than the rate specified in such purchase bid.

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

Bonds owned or held by or for the account of the Authority or the University shall not be deemed Outstanding for the purpose of the consent provided for in this section, and neither the Authority nor the University

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.

(Section 7.11)

Modification and Amendment Without Consent. Notwithstanding any other provisions of the Resolution, the Authority may adopt at any time or from time to time Series Resolutions or Supplemental Resolutions for any one or more of the following purposes, and any such Series Resolutions or Supplemental Resolution shall become effective in accordance with its terms upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of the Authority:

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

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

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

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

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

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

(Section 9.01)

Supplemental Resolutions Effective With Consent.

The provisions of the Resolution may also be modified or amended at any time or from time to time by a Supplemental Resolution, subject to the consent of the 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 University upon its becoming effective.

(Section 9.02)

Powers of Amendment.

Any modification or amendment of the Resolution and of the rights and obligations of the Authority and of the Holders of the Bonds under the Resolution, in any particular, may be made by a Supplemental Resolution, with the written consent given as hereinafter provided in this section, (i) of the Holders of at least a majority in principal amount of the Bonds Outstanding at the time such consent is given and the Banks, (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 and each Bank that has issued a Letter of Credit in connection with the Bonds of the 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 and the Bank that has issued a Letter of Credit in connection with such Bonds; 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. The Trustee may in its discretion determine whether or not, in accordance with the foregoing provisions, the Bonds of any particular Series or maturity would be affected by any modification or amendment of the Resolution and any such determination shall be binding and conclusive on the Authority and all Holders of Bonds. The Trustee may receive an opinion of counsel, including an opinion of Bond Counsel, as conclusive evidence as to whether the Bonds of any particular Series or maturity would be so affected by any such modification or amendment of the Resolution. The Trustee shall transmit a copy of such Supplemental Resolution to the University upon its becoming effective.

(Section 10.01)

Consent of Bondholders. The Authority may at any time adopt a Supplemental Resolution making a modification or amendment permitted by the provisions of the above section titled "Power of Amendment" to take effect when and as provided in this section. A copy of such Supplemental Resolution (or brief summary thereof or reference thereto in form approved by the Trustee) together with a request to the Bondholders for their consent thereto in form satisfactory to the Trustee, shall promptly after adoption be mailed by the Authority to the Bondholders (but failure to mail such copy and request to any particular Bondholder shall not affect the validity of the Supplemental Resolution when consented to as 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 section above titled "Power of Amendment" and (b) an opinion of Bond Counsel stating that such Supplemental Resolution has been duly and lawfully adopted and filed by the Authority in accordance with the provisions of the Resolution, is authorized or permitted by the Resolution, and is valid and binding upon the Authority and enforceable in accordance with its terms, and (ii) a notice shall have been mailed as hereinafter in this section provided. Each such consent shall be effective only if accompanied by proof of the holding or owning at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by the Resolution. A certificate or certificates by the Trustee filed with the Trustee that it has examined such proof and that such proof is sufficient in accordance with the Resolution shall be conclusive proof that the consents have been given by the Holders of the Bonds described in the certificate or certificates of the Trustee. Any consent given by the Holder of a Bond shall be binding upon the Bondholder giving such consent and, anything in the Resolution to the contrary notwithstanding, upon any subsequent Holder of such Bond and of any Bond issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by the Bondholder giving such consent or a subsequent Holder of such Bond by filing with the Trustee, prior to the time when the written statement of the Trustee hereinafter in this section provided for is filed, such revocation. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee filed with the Trustee to the effect that no revocation thereof is on file with the Trustee. At any time after the Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Resolution, the Trustee shall make and file with the Authority and the Trustee a written statement that

the Holders of such required percentages of Bonds have filed such consents. Such written statement shall be conclusive evidence that such consents have been so filed. At any time thereafter notice, stating in substance that the Supplemental Resolution (which may be referred to as a Supplemental Resolution adopted by the Authority on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of Bonds and will be effective as provided in this section, shall be given to the Bondholders by the Authority by mailing such notice to the Bondholders and, at the discretion of the Authority, by publishing the same at least once not more than ninety (90) days after the Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Resolution and the written statement of the Trustee hereinabove provided for is filed (but failure to publish such notice shall not prevent such Supplemental Resolution from becoming effective and binding as in this section provided). The Authority shall file with the Trustee proof of the mailing of such notice, and, if the same shall have been published, of the publication thereof. A transcript, consisting of the papers required or permitted by this section to be filed with the Trustee, shall be proof of the matters therein stated. Such Supplemental Resolution making such amendment or modification shall be deemed conclusively binding upon the Authority, the Trustee, and the Holders of all Bonds upon the filing with the Trustee of proof of the mailing of such notice or at the expiration of thirty (30) days after the filing with the Trustee of the proof of the first publication of such last mentioned notice, if such notice is published, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Resolution in a legal action or equitable proceeding for such purpose commenced within such thirty (30) day period; provided, however, that the Authority and the Trustee during such thirty (30) day period and any such further period during which any such action or proceeding may be pending shall be entitled in their reasonable discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Resolution as they may deem expedient.

For the purposes of the Resolution, the purchasers of the Bonds of a Series, whether purchasing as underwriters, for resale or otherwise, upon such purchase, may consent to a modification or amendment permitted by the Resolution in the manner provided in the Resolution, except that no proof of ownership shall be required, and with the same effect as a consent given by the Holder of such Bonds; provided, however, that, if such consent is given by a purchaser who is purchasing as an underwriter or for resale, the nature of the modification or amendment and the provisions for the purchaser consenting thereto shall be described in the official statement, prospectus, offering memorandum or other offering document prepared in connection with the primary offering of the Bonds of such Series.

(Section 10.02)

Modifications by Unanimous Consent.

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

(Section 10.03)

Events of Default. An event of default shall exist under the Resolution and under each Series Resolution ("Event of Default") if:

- (a) Payment of the principal or Redemption Price of any Bond shall not be made by the Authority when the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise; or
- (b) Payment of an installment of interest on any Bond shall not be made by the Authority when the same shall become due and payable; or
- (c) With respect to the Tax Exempt Bonds of any Series, a Determination of Taxability shall have occurred; or
- (d) The Authority shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Resolution or in the Bonds or in any

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

(e) The Authority shall have notified the Trustee that an Event of Default under the Loan Agreement, arising out of or resulting from the failure of the University to comply with the requirements of the Loan Agreement shall have occurred and is continuing and all sums payable by the University under the Loan Agreement shall have been declared to be immediately due and payable, which declaration shall not have been annulled.

(Section 11.02)

Acceleration of Maturity.

Upon the happening and continuance of any Event of Default specified in the section above, other than an Event of Default specified in paragraph (c) of the section above, 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 shall, by notice in writing to the Authority, declare the principal of and interest on all of the Outstanding Bonds to be due and payable. At the expiration of thirty (30) days after notice of such declaration has been given, such principal and interest shall become and be immediately due and payable, anything in the Resolution or in any Series Resolution or in the Bonds to the contrary notwithstanding. At any time after the principal of the Bonds shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under the Resolution, the Trustee may, with the written consent of the 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 Fund sufficient to pay all arrears of interest, if any, upon all of the Outstanding Bonds (except the interest accrued on such Bonds since the last interest payment date); (ii) 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; and (iv) every other default known to the Trustee in the observance or performance of any covenant, condition or agreement contained in the Resolution or in any Series Resolution or in the Bonds (other than a default in the payment of the principal of such Bonds then due only because of a declaration under this section) shall have been remedied to the reasonable satisfaction of the Trustee and the Banks or waived by the Trustee with the consent of the Banks. No such annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

(Section 11.03)

Enforcement of Remedies. Subject to the provisions of any applicable Intercreditor Agreement, upon the happening and continuance of any Event of Default specified under the heading above “Events of Default”, then and in every such case, the Trustee may proceed, and upon the written request of the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds or, in the case of a happening and continuance of an Event of Default specified in paragraph (c) of the section above titled “Events of Default”, upon the written request of the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of the Series affected thereby, shall proceed (subject to the provisions of the Resolution) to protect and enforce its rights and the rights of the Bondholders or of the Banks under the Resolution or under any Series Resolution or under the laws of the State by such suits, actions or special proceedings in equity or at law, either for the specific performance of any covenant contained under the Resolution or under any Series Resolution or in aid or execution of any power in the Resolution or therein granted, or for an accounting against the Authority as if the Authority were the trustee of an express trust, or for the enforcement of any proper legal or equitable remedy as the Trustee shall deem most effectual to protect and enforce such rights.

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 the Resolution and under each Series Resolution shall not be sufficient to pay the principal of and interest on the Bonds as the same become due and payable (either by their terms or by acceleration of maturity under the provisions of the section titled “Acceleration of Maturity” above), such money together with any money then available or thereafter becoming available for such purpose, whether through exercise of the remedies provided for in the Resolution or otherwise, shall be applied (after payment of 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 thereto of all installments of interest then due in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference; and

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

(b) If the principal of all of the Bonds has become or been declared due and payable, all such 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 thereto, without any discrimination or preference except as to the difference in the respective rates of interest specified in the Bonds.

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

Whenever 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 section below titled "Defeasance".
(Section 11.05)

Termination of Proceedings.

In case any proceedings commenced by the Trustee on account of any default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee, then and in every such case the Authority, the Trustee, each Bank, the University and the Bondholders shall be restored to their former positions and rights under the Resolution, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no such proceeding had been commenced.

(Section 11.06)

Bondholders' Direction of Proceedings.

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

(Section 11.07)

Limitation of Rights of Individual Bondholders.

The Holder of any of the Bonds shall not have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust under the Resolution, or for any other remedy under the Resolution unless such Holder previously shall have given to the Trustee written notice of the Event of Default on account of which such suit, action or proceeding is to be instituted, and unless also the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds or, in the case of an Event of Default specified in paragraph (c) of the section titled "Events of Default", the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of the Series affected thereby, shall have made written request to the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted by the Resolution or to institute such action, suit or proceeding in its or their name, and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses, and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time. Such notification, request and offer of indemnity are 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 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 provided in the Resolution, and that all proceedings at law or in equity shall be instituted and maintained for the benefit of all Holders of the Outstanding Bonds. Notwithstanding any other provision of the Resolution, the Holder of any Bond shall have the right which is absolute and unconditional to receive payment of the principal of (and premium, if any) and interest on such Bond on the stated maturity expressed in such Bond (or, in the case of redemption, on the redemption date) and to institute suit for the enforcement of any such payment, and such right shall not be impaired without the consent of such Holder.

(Section 11.08)

Defeasance. (a) If the Authority shall pay or cause to be paid to the Holders of Bonds of a Series the principal or Redemption Price of and interest thereon, at the times and in the manner stipulated therein, in the Resolution, and in the applicable Series Resolution and Bond Series Certificate, then the pledge of the Revenues or other 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. If no Bonds are then outstanding and all other obligations under the Loan Agreement and each Mortgage has been satisfied, the Trustee, except as in this section otherwise provided, shall execute and deliver such documents to evidence discharge and satisfaction of its interest of each Mortgage, and the security interest in the Pledged Revenues as may be reasonably required by the Authority, and all money or other securities held by it pursuant to the Resolution and to the applicable Series Resolution which are not required for the payment or redemption of Bonds of such Series shall be paid or delivered by the Trustee as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of an Authorized Officer of the Authority; second, to each Bank the amount certified by it to be then due, or be past due pursuant to any Reimbursement Agreement, pro rata, based upon the amounts owed to each Bank; third, to the Authority the amount certified by an Authorized Officer of the Authority to be then due or past due pursuant to the Loan Agreement for fees and expenses of the Authority or pursuant to any indemnity; and, then, the balance thereof to the University; provided, however, that, if any Banks shall not have notified the Trustee that the obligations of the University under a Reimbursement Agreement have also been satisfied and discharged, the Trustee shall assign to such Banks all of its right, title and interest in and to the applicable Mortgage and Pledged Revenues. Such securities so paid or delivered shall be released from any trust, pledge, lien, encumbrance or security interest created by the Resolution or by the Loan Agreement.

(b) Bonds for the payment or redemption of which Available Money shall have been set aside and shall be held in trust by the Trustee (through deposit of 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 paragraph (a) of this section. All Outstanding Bonds of any Series or any maturity within a Series or a portion of a maturity within a Series shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in paragraph (a) of this section if:

(ii) 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;

(iii) 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;

(iv) in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Authority shall have given the Trustee, in form satisfactory to it, irrevocable instructions to give, as soon as practicable, by first class mail, postage prepaid, to the Holders of said Bonds at their last known addresses, if any, appearing on the registration books, and, if directed by an Authorized Officer of the Authority, by publication, at least twice, at an interval of not less than seven (7) days between publications, in an Authorized Newspaper, a notice to the Holders of such Bonds that the deposit required by clause (ii) above has been 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; and

(v) a Verification Report shall have been delivered to the Trustee.

The Authority shall give written notice to the Trustee of its selection of the Series and maturity the payment of which is to be made in accordance with this section. The Trustee shall select the Bonds of like Series, Subseries and maturity payment of which shall be made in accordance with this section in the manner provided in the Resolution. Neither the Defeasance Securities nor 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. 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 hereinabove to pay the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on such Bonds, as realized, be paid by the Trustee as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of an Authorized Officer of the Authority; second, to each Bank, the amount certified by it to be then due or past due pursuant to the applicable Reimbursement Agreement, pro rata, based on the amounts owed to each Bank; third, to the Authority the amount certified by an Authorized Officer of the Authority to be then due or past due pursuant to the Loan Agreement for fees and expenses of the Authority or pursuant to any indemnity; and, then, the balance thereof to the University, and any such money so paid by the Trustee shall be released of any trust, pledge, lien, encumbrance or security interest created by the Resolution or by the Loan Agreement; provided however, that, if any Banks shall not have notified the Trustee that the obligations of the University under a Reimbursement Agreement have also been satisfied and discharged, the Trustee shall assign to such Banks all of its right, title and interest in and to the applicable Mortgage and Pledged Revenues.

(c) For purposes of determining whether Variable Interest Rate Bonds shall be deemed to have been paid prior to the maturity or redemption date thereof, as the case may be, 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 therein in accordance with the direction of an Authorized Officer of the Authority; second, to each Bank, the amounts then due and unpaid to each of them, pro rata, based upon the respective amounts certified by each Bank to the Trustee as then due and unpaid; 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 University. Such securities so paid or delivered shall be released from any trust, pledge, lien, encumbrance or security interest created by the Resolution or by any Series Resolution or Loan Agreement.

(d) 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 therein in accordance with the direction of an Authorized Officer of the Authority; second, to each Bank, the amounts then due and unpaid to each of them, pro rata, based upon the respective amounts certified by each Bank to the Trustee as then due and unpaid; 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 University. Such securities so paid or delivered shall be released from any trust, pledge, lien, encumbrance or security interest created by the Resolution or by any Series Resolution or Loan Agreement.

(e) 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, or one (1) year after the date when the principal or Redemption Price of or interest on the Bonds for which said money is held was due and payable, shall, at the written request of the Authority, be repaid by the Trustee to the Authority as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the 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 or 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)

**FORM OF APPROVING OPINION
OF BOND COUNSEL**

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September 24, 2008

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

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of \$55,490,000 principal amount of the St. John's University Revenue Bonds, Series 2008A (the "Series 2008A Bonds"), \$67,780,000 principal amount of St. John's University Revenue Bonds, Series 2008B-1 (the "Series 2008B-1 Bonds"), \$67,760,000 principal amount of St. John's University Revenue Bonds, Series 2008B-2 (the "Series 2008B-2 Bonds" and together with the Series 2008A Bonds and the Series 2008B-1 Bonds, the "Series 2008 Bonds") by the Dormitory Authority of the State of New York (the "Authority"), a body corporate and politic constituting a public benefit corporation of the State New York, created and existing under and pursuant to the Constitution and statutes of the State New York, including the Dormitory Authority Act, being Title 4 of Article 8 of the Public Authorities Law of the State of New York, as amended to the date hereof, including, without limitation, by the Healthcare Financing Consolidation Act, being Title 4-B of the Public Authorities Law of the State of New York, as amended to the date hereof (the "Act"). We have also examined such certificates, documents, records and matters of law as we have deemed necessary for the purpose of rendering the opinions hereinafter set forth.

The Series 2008 Bonds are issued under and pursuant to the Act, the St. John's University Revenue Bond Resolution (Letter of Credit Secured) of the Authority, adopted on March 26, 2008 (the "Resolution"), the Series 2008A Resolution Authorizing the Issuance of St. John's University Revenue Bonds, Series 2008A, adopted March 26, 2008 (the "Series 2008A Resolution"), the Series 2008B Resolution Authorizing the Issuance of St. John's University Revenue Bonds, Series 2008B, adopted March 26, 2008 (the "Series 2008B Resolution"; together with Series 2008A Resolution, the "Series Resolutions"), the Bond Series Certificate, dated as of September 23, 2008, relating to the Series 2008A Bonds and the Bond Series Certificate, dated as of September 23, 2008, relating to the Series 2008B Bonds (each a "Bond Series Certificate"). Said resolutions and each Bond Series Certificate are herein collectively called the "Resolutions." Capitalized terms used but not defined herein have the respective meaning given to them in the Resolutions.

The Series 2008 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 2008 Bonds were issued for the purposes set forth in the Resolutions.

The Authority is authorized to issue Bonds, in addition to the Series 2008 Bonds, only upon the terms and conditions set forth in the Resolution and such Bonds, when issued, will with all other Bonds which have been or may be issued, be entitled to the equal benefit, protection and security of the provisions, covenants and agreements of the Resolution.

The Series 2008 Bonds are dated the date hereof and mature on July 1, 2030 for the Series 2008A Bonds, on July 1, 2034 for the Series 2008B-1 Bonds and on July 1, 2037 for the Series 2008B-2 Bonds. The Series 2008 Bonds will be issued in the aggregate principal amount of \$191,030,000 and will be issued initially as Variable Rate Bonds in the Weekly Mode. The Series 2008 Bonds will remain in the Weekly Mode unless and until converted to bear interest in a different Rate Mode.

The Series 2008 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 2008 Bonds are numbered consecutively from one upward in order of issuance.

The Series 2008 Bonds are subject to redemption prior to maturity as provided in the Resolutions and in each Bond Series Certificate.

The Series 2008 Bonds are being issued to finance a loan by the Authority to St. John's University (the "University"). The Authority and the University have entered into a Loan Agreement, dated as of March 26, 2008, by and between the Authority and the University (the "Loan Agreement"), by which the University is required to make payments sufficient to pay, when due, the principal and Redemption Price of and interest on the Outstanding Bonds, including the Series 2008 Bonds, as well as a part of the Authority's annual administrative expenditures and costs. All amounts payable under the Loan Agreement for payment of the principal or Redemption Price of or interest on the Bonds are required to be paid to the Trustee under the Resolution and have been pledged by the Authority for the benefit of the Holders of Outstanding Bonds, including the Series 2008 Bonds.

We are of the opinion that:

1. The Authority is a body corporate and politic constituting a public benefit corporation of the State of New York with the right and lawful authority and power to adopt the Resolutions and to issue the Series 2008 Bonds thereunder.

2. The Series Resolutions have been duly adopted by the Authority in accordance with the provisions of the Resolution and is authorized and permitted by the Resolution. The Resolutions have been duly and lawfully adopted by the Authority, are in full force and effect and are legal, valid and binding obligations of the Authority enforceable in accordance with their respective terms.

3. The Series 2008 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 2008 Bonds are legal, valid and binding special obligations of the Authority payable as provided in the Resolutions, are enforceable in accordance with their terms and the terms of the Resolutions and are entitled, together with all other Bonds issued under the Resolution, to the equal benefits of the Resolutions and the Act.

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

5. The Internal Revenue Code of 1986, as amended (the "Code") sets forth certain requirements that must be met subsequent to the issuance and delivery of the Series 2008 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 2008 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Series 2008 Bonds.

The Authority has covenanted in the Series 2008 Resolution and the Tax Certificate as to Arbitrage and the Provisions of Sections 141-150 of the Internal Revenue Code (the "Tax Certificate") and the University has covenanted in the Loan Agreement and the Tax Certificate to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Series 2008 Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, the Authority and the University have made certain representations and certifications in the Tax Certificate. We have also relied on the opinion of counsel to the University as to all matters concerning the status of the University as an organization described in Section 501(c)(3) of the Code and exempt from federal income tax under Section 501(a) of the Code. We have not independently verified the accuracy of those certifications and representations or that opinion.

Under existing law, assuming compliance with the tax covenants described above, and the accuracy of certain representations and certifications made by the Authority and the University described above, interest on the Series 2008 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 2008 Bonds is, however, included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax imposed on such corporations.

6. Interest on the Series 2008 Bonds is exempt, by virtue of the Act, from personal income taxes of the State of New York and its political subdivisions, including The City of New York and the City of Yonkers.

We have examined an executed Series 2008 Bond and, in our opinion, the form of said Bond and its execution are regular and proper.

The opinions contained in paragraphs 2, 3 and 4 above are qualified to the extent that the enforceability of the Resolutions, the Loan Agreement and the Series 2008 Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally or as to the availability of any particular remedy. Except as stated in paragraphs 5 and 6 above, we express no opinion as to any other federal or state tax consequences of the ownership or disposition of the Series 2008 Bonds. Furthermore, we express no opinion as to any federal, state or local tax law consequences with respect to the Series 2008 Bonds, or the interest thereon, if any action is taken with respect to Series 2008 Bonds or the proceeds thereof upon the advice or approval of other counsel.

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

Very truly yours,

Nixon Peabody LLP

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