NEW ISSUE
(Book-Entry Only)

RATING
Standard & Poor's: "A"

In the opinion of Nixon Peabody LLP, New York, New York, Bond Counsel, under existing law and assuming compliance with the tax covenants referred to herein, and the accuracy of certain representations and certifications made by the Issuer and the University, described herein, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is also of the opinion that such interest will not be treated as a preference item in calculating the alternative minimum tax imposed under the Code with respect to individuals and corporations. Bond Counsel is further of the opinion that interest on the Bonds is also exempt from personal income taxes imposed by the State of New York and its political subdivisions. See "Tax Matters" herein regarding certain other tax considerations.

$6,075,000
TOWN OF HEMPSTEAD LOCAL DEVELOPMENT CORPORATION
REVENUE REFUNDING BONDS, SERIES 2009A
(ADELPHI UNIVERSITY PROJECT)

ADELPHI UNIVERSITY
www.adelphi.edu

$25,000,000
TOWN OF HEMPSTEAD LOCAL DEVELOPMENT CORPORATION
REVENUE BONDS, SERIES 2009B
(ADELPHI UNIVERSITY PROJECT)

Dated: Date of Delivery

Due: February 1, as shown on the inside front cover

The above-referenced bonds (the "Bonds") are special obligations payable solely out of the revenues or other receipts, funds or monies of the Town of Hempstead Local Development Corporation (the "Issuer") pledged therefor or otherwise available to U.S. Bank National Association, as trustee (the "Trustee"), for the payment thereof, including those derived under a Loan Agreement, dated as of September 1, 2009, between the Issuer and Adelphi University (the "University" or "Adelphi").

Capitalized terms used in this Official Statement (including this cover page) shall have the meanings ascribed to such terms in Appendix B hereto unless otherwise specified herein.

The Bonds are issuable only in fully registered form, without coupons, and when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). Purchases of beneficial interests in the Bonds will be made in book-entry only form, in the denomination of $5,000 or any integral multiple thereof. Purchasers of beneficial interests will not receive certificates representing their interest in the Bonds. So long as Cede & Co. is the Bondowner, as nominee of DTC, references herein to the Bondowners or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Bonds. See "THE BONDS - Book-Entry Only System" herein.

The Bonds will be dated and will bear interest from the date of delivery thereof. Interest on the Bonds will be payable semiannually on February 1 and August 1 of each year, commencing February 1, 2010. Principal of, premium, if any, and interest on the Bonds will be paid directly to DTC by U.S. Bank National Association, as Trustee and Paying Agent. So long as DTC or its nominee, Cede & Co., is the Bondowner, disbursement of such payments to the DTC Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants and the Indirect Participants, as more fully described herein.

The Bonds are subject to optional redemption, mandatory redemption and extraordinary redemption, with or without premium, prior to maturity as described herein.

THE BONDS ARE SPECIAL OBLIGATIONS OF THE ISSUER AND NEITHER THE STATE OF NEW YORK, NOR ANY POLITICAL SUBDIVISION THEREOF (INCLUDING WITHOUT LIMITATION, THE TOWN OF HEMPSTEAD, NEW YORK) IS OBLIGATED TO PAY, AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING AUTHORITY OF THE STATE OF NEW YORK OR ANY POLITICAL SUBDIVISION THEREOF (INCLUDING THE TOWN OF HEMPSTEAD, NEW YORK) IS PLEDGED TO THE PAYMENT OF PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS. THE BONDS ARE PAYABLE SOLELY FROM AND ARE SECURED BY RECEIPTS AND REVENUES OF THE ISSUER UNDER THE LOAN AGREEMENT AND OTHER MONIES AVAILABLE THEREFOR AS DESCRIBED HEREIN. THE ISSUER HAS NO TAXING AUTHORITY.

The Bonds are offered when, as and if issued by the Issuer and accepted by the Underwriter subject to prior sale, withdrawal or modification of the offer without notice, and subject to the approval of legality by Nixon Peabody LLP, New York, New York, Bond Counsel. Certain legal matters will be passed upon for the University by its counsel, Farrell Fritz P.C., Uniondale, New York, for the Issuer by its counsel, Ryan, Brennan & Donnelly LLP, Floral Park, New York and for the Underwriter by its counsel, Greenberg Traurig, LLP, Philadelphia, Pennsylvania. It is expected that the Bonds in definitive form will be available for delivery through the facilities of DTC on or about September 30, 2009, in New York, New York, against payment therefor.

Merrill Lynch & Co.

Dated: September 24, 2009

$6,075,000
TOWN OF HEMPSTEAD LOCAL DEVELOPMENT CORPORATION
REVENUE REFUNDING BONDS, SERIES 2009A
(ADELPHI UNIVERSITY PROJECT)

MATURITIES, AMOUNTS, INTEREST RATES, YIELDS AND CUSIP NUMBERS

Year (February 1)	Principal Amount	Interest Rate	Yield	CUSIP Number
2011	$1,410,000	5.000%	1.510%	424682 AA0
2012	1,475,000	5.000	1.980	424682 AB8
2013	1,555,000	5.000	2.300	424682 AC6
2014	1,635,000	5.000	2.660	424682 AD4

$25,000,000
TOWN OF HEMPSTEAD LOCAL DEVELOPMENT CORPORATION
REVENUE BONDS, SERIES 2009B
(ADELPHI UNIVERSITY PROJECT)

MATURITIES, AMOUNTS, INTEREST RATES, YIELDS AND CUSIP NUMBERS

Year (February 1)	Principal Amount	Interest Rate	Yield	CUSIP Number	Year (February 1)	Principal Amount	Interest Rate	Yield	CUSIP Number
2012	$510,000	2.000%	1.980%	424682 AE2	2019	$630,000	5.000%	3.730%	424682 AM4
2013	520,000	2.000	2.300	424682 AF9	2020*	660,000	4.000	3.870	424682 AN2
2014	535,000	2.500	2.660	424682 AG7	2021*	685,000	4.000	3.990	424682 AP7
2015	545,000	3.000	2.910	424682 AH5	2022	715,000	4.000	4.080	424682 AQ5
2016	560,000	3.000	3.170	424682 AJ1	2023	740,000	4.000	4.170	424682 AR3
2017	580,000	3.250	3.410	424682 AK8	2024	770,000	4.000	4.240	424682 AS1
2018	600,000	5.000	3.600	424682 AL6	2025	800,000	4.250	4.350	424682 AT9

$3,580,000 4.50% Term Bonds due February 1, 2029, Yield 4.640%, CUSIP Number 424682 AU6

$5,505,000 5.00% Term Bonds due February 1, 2034*, Yield 4.800%, CUSIP Number 424682 AV4

$7,065,000 5.25% Term Bonds due February 1, 2039*, Yield 4.880%, CUSIP Number 424682 AW2

* Priced to optional redemption date of February 1, 2019.

TOWN OF HEMPSTEAD LOCAL DEVELOPMENT CORPORATION
(State of New York)
350 Front Street
Hempstead, New York 11556

Chairman	Theodore P. Sasso, Jr.
Vice Chairman	Paul F. Conte
Treasurer	Jonathon P. Kohan
Secretary	Cheryl Petri
Member	Ari Brown
Member	Albert D'Agostino
Member	Patricia Hafner-Mezeul

AGENCY COUNSEL
John E. Ryan, Esq.
Ryan, Brennan & Donnelly LLP
Floral Park, New York

BOND COUNSEL
Nixon Peabody LLP
New York, New York

TRUSTEE
U.S. Bank National Association
New York, New York

UNDERWRITER
Merrill Lynch & Co.
New York, New York

No person has been authorized to give any information or to make any representations not contained in this Official Statement and, if given or made, such information or representations must not be relied upon as having been authorized by the Issuer, the University, the Trustee or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by any person in any jurisdiction in which such offer, solicitation or sale is not authorized or in which it is unlawful to make such offer, solicitation or sale. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. The information set forth herein has been obtained from the Issuer, the University and other sources believed to be reliable but is not guaranteed as to accuracy or completeness by the Underwriter. Statements contained in this Official Statement which involve estimates, forecasts or other matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. This information and expressions of opinions herein are subject to change without notice, and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the University since the date hereof. This Official Statement, including any supplement or amendment hereto, is intended to be deposited with one or more nationally recognized municipal securities information repositories.

If and when included in this Official Statement, the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates," "assumes" and analogous expressions are intended to identify forward-looking statements and any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those that have been projected. Such risks and uncertainties which could affect the amount of revenue collected by the University include, among others, changes in economic conditions and various other events, conditions and circumstances, many of which are beyond the control of the University. Such forward-looking statements speak only as of the date of this Official Statement. The Issuer and the University disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes in the University's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE INDENTURE HAS NOT BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON THE EXEMPTIONS CONTAINED IN SUCH ACTS.

The order and placement of materials in this Official Statement, including the Appendices hereto, are not to be deemed to be a determination of relevance, materiality or importance, and this Official Statement, including the Appendices, must be considered in its entirety.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE UNIVERSITY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS AND DEALER BANKS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE HEREOF, AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

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OFFICIAL STATEMENT

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TOWN OF HEMPSTEAD LOCAL DEVELOPMENT CORPORATION
REVENUE REFUNDING BONDS, SERIES 2009A
(ADELPHI UNIVERSITY PROJECT)

$25,000,000
TOWN OF HEMPSTEAD LOCAL DEVELOPMENT CORPORATION
REVENUE BONDS, SERIES 2009B
(ADELPHI UNIVERSITY PROJECT)

INTRODUCTION

The purpose of this Official Statement, which includes the cover page, the Table of Contents and the Appendices hereto, is to furnish certain information with respect to the issuance by the Town of Hempstead Local Development Corporation (the "Issuer") of its Revenue Refunding Bonds, Series 2009A (Adelphi University Project) in the aggregate principal amount of $6,075,000 (the "Series A Bonds") and its Revenue Bonds, Series 2009B (Adelphi University Project) in the aggregate principal amount of $25,000,000 (the "Series B Bonds" and, together with the Series A Bonds, the "Bonds"). The Bonds are being issued pursuant to a certain Indenture of Trust, dated as of September 1, 2009 (the "Indenture"), to be entered into by and between the Issuer and U.S. Bank National Association, as trustee (the "Trustee").

Reference is hereby made to the Indenture for a description of the property pledged, assigned and otherwise available for the payment of the Bonds, the provisions, among others, with respect to the nature and extent of the security for the Bonds, the rights, duties and obligations of the Issuer, the Trustee and the Owners of the Bonds, and the terms upon which the Bonds are issued and secured. Capitalized terms used in this Official Statement and not otherwise defined shall have the meanings assigned thereto in "APPENDIX B - Schedule of Definitions and Summary of Documents".

The Bonds are authorized to be issued pursuant to the New York Membership Corporation law as in effect in 1966, as superseded by Section 1411 of the New York Not-For-Profit Corporation Law (the "Act") and a resolution of the Issuer adopted on September 23, 2009.

The proceeds of the Series A Bonds, together with other available funds of Adelphi University ("Adelphi" or the "University") are being used to refund the outstanding Town of Hempstead Industrial Development Agency Civic Facility Revenue Bonds, Series 1999 (Adelphi University Civic Facility) (the "1999 Bonds"). The proceeds of the 1999 Bonds were used to finance and refinance the costs of the construction, renovation and equipping of certain civic facilities at the University's Garden City Campus consisting of: (i) the construction of a fourth floor to each of the Chapman, Linen, Waldo and Earle Residence Halls and installation of a fire sprinkler system in each such residence hall; (ii) the modernization and refurbishment of all residential and dining facilities in Olde Earle Hall, New Earle Hall, Waldo Hall, Chapman Hall, Linen Hall, Eddy Hall, Post Hall and the University Center; (iii) the renovation and modernization of the School of Management and Business Building and Swirbul Library; (iv) the modernization and refurbishment of classrooms, laboratories, studio, athletic and theater facilities in Blodgett Hall, Levermore Hall, the School of Management and Business Building, Harvey Hall, Alumnae Hall, Alumni House, Post Hall, Olmstead Theatre, the Hy Weinberg Building, the School of Social Work, the Child Care Activity Center, Woodruff Hall and the athletic fields; (v) infrastructure replacement of roofing, electrical, plumbing and HVAC systems, and fire, safety and security systems, ADA compliance, and paving, grounds improvement and campus-wide lighting and signage; and (iv) the expansion of information systems capabilities in all Garden City Campus facilities (collectively, the "1999 Project"). Proceeds from the sale of the Series A bonds will also be used to pay costs of issuance of the Series A Bonds.

The proceeds of the Series B Bonds are being used for the purposes of financing the costs of: (i) the construction, renovation, equipping and furnishing of an approximately 55,000 square foot four-story residence facility located on the western portion of the Garden City Campus, including, but not limited to, approximately 171 dormitory beds for students of the University, (ii) renovation and equipping of an existing approximately 54,800 square foot building known as Woodruff Hall, which houses a health and physical education facility, to include the renovation of lab space, creation of administrative and office space and additional lockers and creation of additional space to include a multipurpose room and weight and fitness room, (iii) renovation, equipping and finishing of an existing approximately 30,000 square foot building known as Hy Weinberg Center which houses the Derner Institute of Advanced Psychological Studies and Speech and Hearing Department labs and offices, and (iv) design and architectural costs related to the expansion of the library, which is now only in the conceptual planning phase (collectively, the "2009 Project"). Proceeds from the sale of the Series B Bonds will also be used to pay certain costs of issuance of the Series B Bonds.

The Bonds are special obligations of the Issuer and are payable solely from the revenues, receipts and other payments derived from the Loan Agreement, dated as of September 1, 2009 (the "Loan Agreement"), between the Issuer and the University, and pledged to the Trustee under the terms of the Indenture and as otherwise provided in the Indenture. The Bonds are not secured by any mortgage lien on or security interest in the 1999 Project or the 2009 Project or in any other real or personal property of the University. The payment of the principal of, Redemption Price of and interest on the Bonds is an unconditional obligation of the University.

The principal of, Redemption Price of and interest on the Bonds shall not constitute or give rise to an obligation of the State of New York (the "State") or any municipality or subdivision thereof (including, without limitation, the Town of Hempstead, New York) and neither the State nor any municipality or political subdivision thereof (including, without limitation, the Town of Hempstead, New York) shall be liable thereon, and further such obligations and agreements shall not constitute or give rise to a general obligation of the Issuer, but rather shall constitute special obligations of the Issuer payable solely from the revenues of the Issuer derived and to be derived from the Loan Agreement (except for Unassigned Rights).

The Bonds will bear interest payable on each February 1 and August 1, commencing February 1, 2010 (each a "Debt Service Payment Date") to the Owner in whose name each Bond is registered at the close of business on the Record Date with respect to such Debt Service Payment Date (1) by check or draft mailed on the Debt Service Payment Date to each registered Owner, or (2) by wire transfer on the Debt Service Payment Date to each Owner of at least $500,000 in aggregate principal amount of Bonds, upon written notice provided by the Owner to the Trustee not later than five (5) days prior to the Record Date for such Debt Service Payment Date. Except as provided in the Bonds and the Indenture, payment of interest upon redemption of any Bond shall be made only upon presentation and surrender of such Bond as provided in the Indenture, irrespective of any transfer or exchange of such Bond subsequent to such Record Date and prior to such Debt Service Payment Date. See "THE BONDS".

Pursuant to the Indenture, all payments due from the University to the Issuer under the Loan Agreement (except for Unassigned Rights and except for the moneys and investments from time to time in the Rebate Fund, established under the Indenture) are assigned by the Issuer to the Trustee to secure the payment of the principal or Redemption Price of and interest on the Bonds.

Payments under the Loan Agreement are to be made by the University to the Trustee in amounts sufficient, together with any moneys then held by the Trustee and available for such purpose, to pay the principal or Redemption Price of, and interest on the Bonds as the same become due, whether at maturity, upon redemption or by acceleration or otherwise. The payments under the Loan Agreement are an absolute and unconditional obligation of the University.

Pursuant to a Tax Compliance Agreement, dated the date of issuance of the Bonds, between the University and the Issuer, the University has made various covenants in connection with (i) the preservation of the exclusion of the interest on the Bonds from gross income for federal income tax purposes and (ii) for purposes of compliance with the arbitrage rebate requirements set forth in the Treasury Regulations. See "TAX MATTERS".

Brief descriptions follow of the Issuer, the Plan of Finance, Estimated Sources and Uses of Funds, the Bonds, Debt Service Requirements on the Bonds, Security for the Bonds, the University, Negotiability, Tax Matters, Auditors, Absence of Litigation, Underwriting, Rating, Legality for Investment, Legal Matters and Secondary Market Disclosure. Appendix A contains the Audited Financial Statements of the University for the years ended August 31, 2008 and 2007. Appendix B contains a Schedule of Definitions used herein and summaries of each of the Indenture and the Loan Agreement. Appendix C contains a form of the opinion of Bond Counsel which Nixon Peabody LLP, New York, New York, proposes to render upon the delivery of the Bonds. Appendix D contains a form of the Continuing Disclosure Agreement to be entered into by the University and the Trustee. The descriptions and summaries previously listed do not purport to be comprehensive or definitive and are qualified in their entirety by reference to the respective documents and to "APPENDIX B - Schedule of Definitions and Summary of Documents." All such descriptions and summaries are further qualified in their entirety by reference to bankruptcy laws, insolvency or other laws or enactments now or hereafter enacted by the State or the United States relating to or affecting generally the enforcement of creditor's rights and the availability of equitable remedies, and to the extent, if any, that enforceability of the indemnification and contribution provisions of the Bond Documents may be limited by law. Insofar as any statements are made in this Official Statement involving matters of opinion, regardless of whether so stated, they are intended merely as such and not as representations of fact. Copies of the Bond Documents may be obtained, upon written request, from the Underwriter during the offering period and, after the initial delivery of the Bonds, at the corporate trust office of the Trustee located at 100 Wall Street, Suite 1600, New York, New York 10005 (the "Office of the Trustee").

The information appearing in this Official Statement relating to the 1999 Project, 2009 Project, the use of the Bond proceeds and the University has been furnished by the University, and neither the Issuer nor the Underwriter makes any representation or warranty as to the accuracy or completeness of such information.

THE ISSUER

The Issuer was established in 1966, as a local development corporation pursuant to the Act for the purpose of promoting the economic welfare of the inhabitants of the Town of Hempstead and promoting, attracting, encouraging and developing economically sound commerce and industry through governmental action for the purpose of preventing unemployment and economic deterioration. The Town of Hempstead, New York (the "Town") is the sole member of the Issuer and the Town as the sole member of the Issuer, acting through the Town Board, appoints the Board of Directors of the Issuer.

As provided in the Act, the Issuer is authorized and empowered to make a loan to the University pursuant to the Loan Agreement; to issue, execute and deliver the Bonds; to secure the Bonds by a pledge of the moneys payable by the University under the Loan Agreement; and to enter into the Bond Documents.

By a preliminary resolution adopted on August 26, 2009, and a resolution adopted on September 23, 2009, the Issuer will have taken official action relating to the issuance of the Bonds. The Issuer has held or will hold the required public hearings, in compliance with the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), with respect to the issuance of the Bonds, following the timely publication of notice of the hearing. By a resolution adopted on August 26, 2009, the Issuer determined that, based upon the review by the Issuer of the materials submitted and the representations made by the

University relating to the issuance of the Bonds and the 2009 Project, the issuance of the Bonds and the 2009 Project would not have a "significant impact" or "significant effect" on the environment, within the meaning of the SEQR Act. By a Certificate of Approval to be executed by the Applicable Elected Representative (as defined in the Code), the Supervisor of the Town of Hempstead, New York is expected to approve the issuance of the Bonds and, based upon a review of the materials submitted and the representations made by the University relating to the 2009 Project, concur in the Issuer's determination under the SEQR Act.

The Board of Directors of the Issuer is presently composed of members appointed by the Town of Hempstead. The names and positions of the current members of the Issuer are as follows:

Position	**Name**
Chairman	Theodore P. Sasso, Jr.
Vice Chairman	Paul F. Conte
Treasurer	Jonathon P. Kohan
Secretary	Cheryl Petri
Member	Ari Brown
Member	Albert D'Agostino
Member	Patricia Hafner-Mezeul

The Executive Director and Chief Executive Officer and the Deputy Executive Director and Chief Financial Officer of the Issuer are appointed by the Board of Directors of the Issuer. The Executive Director and Chief Executive Officer of the Issuer is Frederick E. Parola, Esq. and the Deputy Executive Director and Chief Financial Officer of the Issuer is Edith M. Longo.

PLAN OF FINANCE

The Series A Bonds are being issued to (i) refund the outstanding 1999 Bonds, the proceeds of which were used to finance and refinance the costs of the 1999 Project and (ii) pay certain costs of issuance of the Series A Bonds.

The Series B Bonds are being issued for the purposes of financing the costs of: (i) the 2009 Project, (ii) paying certain costs of issuance of the Series B Bonds.

On the date of issuance of the Bonds, a portion of the proceeds of the Series A Bonds, together with other available funds of the University, will be irrevocably deposited with The Bank of New York Mellon, as trustee for the 1999 Bonds (the "1999 Trustee") and used to purchase certain direct obligations of the United States of America (the "Government Securities") which will earn interest at such rates and mature at such times so as to provide sufficient funds, together with other available funds of the University deposited with the 1999 Trustee, to pay the principal of, redemption premium and interest on the 1999 Bonds that are subject to optional redemption on February 1, 2010.

The adequacy of the mathematical computations supporting the adequacy of the maturing principal amount of and interest accruing on the Government Securities purchased by the 1999 Trustee to pay the principal of, redemption premium and interest on the 1999 Bonds on February 1, 2010 and the accuracy of certain mathematical computations supporting the conclusion of Bond Counsel that the Series A Bonds are not "arbitrage bonds" will be independently verified by Causey Demgen & Moore Inc. See "VERIFICATION OF MATHEMATICAL ACCURACY" herein.

ESTIMATED SOURCES AND USES OF FUNDS

The table below sets forth the estimated sources and uses of funds. The payment of additional costs related to the 2009 Project or with respect to the issuance of the Bonds will be paid from the University's own funds.

Sources of Proceeds

	Series A Bonds	Series B Bonds	Total
Principal Amount of Bonds	$6,075,000.00	$25,000,000.00	$31,075,000.00
Plus Net Original Issue Premium	455,634.30	276,949.20	732,583.50
Less Underwriter's Discount	62,733.17	$250,000.00	312,733.17
University Contribution	1,598,043.75	--	1,598,043.75
Total Sources	$8,065,944.88	$25,026,949.20	$33,092,894.08

Uses of Proceeds

	Series A Bonds	Series B Bonds	Total
Deposit to Project Fund	--	$24,761,791.68	$24,761,791.68
Refunding of 1999 Bonds	$7,997,921.52	--	7,997,921.52
Costs of Issuance*	68,023.36	265,157.52	333,180.88
Total Uses	$8,065,944.88	$25,026,949.20	$33,092,894.08

* Including, but not limited to, fees of the Issuer, attorneys' fees, rating agency fees, verification agent fees and trustee fees.

THE BONDS

Description of the Bonds

The following is a summary of certain provisions of the Bonds and should not be considered a full statement thereof. Reference is made to the Indenture (including the form of Bond) for the detailed provisions thereof and the discussion herein is qualified by such reference.

General Provisions

The Bonds are dated the date of delivery. The Bonds mature on February 1 of the years and bear interest at the rates set forth on the inside front cover page hereof, and are issuable in the form of fully registered Bonds without coupons in minimum denominations of $5,000 or integral multiples thereof. The Bonds will bear interest, computed on the basis of a 360 day year of twelve 30-day months, from the date of delivery, payable on February 1 and August 1 of each year, commencing on February 1, 2010 (each a "Debt Service Payment Date").

Interest on Bonds due on any Debt Service Payment Date shall be payable to the Owner in whose name each Bond is registered at the close of business on the Record Date with respect to such Debt Service Payment Date by (1) check mailed on the Debt Service Payment Date to the Owner or (2) by wire transfer on the Debt Service Payment Date to each Owner of not less than $500,000 in aggregate principal amount of Bonds, upon written notice provided by each Owner to the Trustee not later than five (5) days prior to the Record Date for such Debt Service Payment Date, except that payment of interest on redemption of any Bonds shall be made only upon presentation and surrender of such Bond as provided in the Indenture, irrespective of any transfer or exchange of such Bond subsequent to such Record Date and prior to such Debt Service Payment Date, unless the Issuer shall default in the payment of interest due on such Debt Service Payment Date. In the event of any such default, such defaulted interest shall be payable to the Person in whose name such Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by or on behalf of the Issuer to the Owners of Bonds not less than fifteen (15) days preceding such special record date. Such notices shall be mailed to the Persons in whose name the Bonds are registered at the close of business on the fifth (5th) day preceding the date of mailing. Payment of interest on Bonds by mail will be made to the registered address of the Person entitled thereto.

Payment of the principal and, in the case of any Bonds redeemed prior to maturity, payment of the Redemption Price, if any, and interest accrued to the redemption date, shall be made, upon presentation and surrender at the principal corporate trust office of the Trustee, or at the office designated for such payment by any successor trustee or paying agent or at such other place as may be agreed upon in advance by the Trustee and the Owner of a Bond. The principal, Redemption Price of, and interest on the Bonds are payable in lawful money of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts.

Redemption Prior to Maturity

The Bonds are subject to optional, mandatory and extraordinary redemption prior to their stated maturity as described below.

Mandatory Redemption. The Bonds are subject to redemption prior to maturity by the Issuer, in whole or in part, at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest, from moneys deposited into the Bond Fund from the unused balance of the Project Fund pursuant to the Indenture.

Optional Redemption. The Series A Bonds are not subject to optional redemption prior to maturity.

The Series B Bonds maturing on or after February 1, 2020 are subject to redemption prior to maturity by the Issuer, at the option of the University, on or after February 1, 2019, in whole at any time or in part on any Debt Service Payment Date, at the Redemption Prices equal to 100% of the principal amount thereof plus accrued interest.

The Series B Bonds maturing on February 1, 2012 to February 1, 2019, inclusive, are not subject to optional redemption prior to maturity.

Sinking Fund Installment Redemption. The Series B Bonds maturing on February 1, 2029 are subject to mandatory redemption in part commencing on February 1, 2026 by lot by operation of Sinking Fund Payments at a Redemption Price equal to the principal amount of the Bonds to be redeemed plus accrued interest to the Redemption Date. The amounts and due dates of the Sinking Fund Payments for the Bonds are set forth in the following table:

Sinking Fund Payment Date February 1	Amount
2026	$835,000
2027	875,000
2028	915,000
2029*	955,000

*Final Maturity

The Series B Bonds maturing on February 1, 2034 are subject to mandatory redemption in part commencing on February 1, 2030 by lot by operation of Sinking Fund Payments at a Redemption Price equal to the principal amount of the Bonds to be redeemed plus accrued interest to the Redemption Date. The amounts and due dates of the Sinking Fund Payments for the Bonds are set forth in the following table:

Sinking Fund Payment Date February 1	Amount
2030	$995,000
2031	1,045,000
2032	1,100,000
2033	1,155,000
2034*	1,210,000

*Final Maturity

The Series B Bonds maturing on February 1, 2039 are subject to mandatory redemption in part commencing on February 1, 2035 by lot by operation of Sinking Fund Payments at a Redemption Price equal to the principal amount of the Bonds to be redeemed plus accrued interest to the Redemption Date. The amounts and due dates of the Sinking Fund Payments for the Bonds are set forth in the following table:

Sinking Fund Payment Date February 1	Amount
2035	$1,270,000
2036	1,340,000
2037	1,410,000
2038	1,485,000
2039*	1,560,000

*Final Maturity

Extraordinary Redemption of Series A Bonds. The Series A Bonds are subject to extraordinary mandatory redemption prior to maturity in whole or in part on any Debt Service Payment Date, without premium or penalty, at a Redemption Price equal to 100% of the principal amount thereof, plus interest accrued to the Redemption Date upon the occurrence of any one of the following events:

(i) the 1999 Project or any material portion of the 1999 Project shall have been damaged or destroyed to such extent that, in the opinion of an Authorized Representative of the University, (a) the 1999 Project or any such portion of the 1999 Project cannot be reasonably restored within a period of eighteen (18) consecutive months after such damage or destruction, (b) the University is thereby prevented or is reasonably expected to be thereby prevented from carrying on its normal operations within the 1999 Project or such portion of the 1999 Project for a period of eighteen (18) consecutive months after such damage or destruction, (c) or the cost of restoration of the 1999 Project or such portion of the 1999 Project would exceed the Net Proceeds of insurance carried thereon, plus the amount for which the University is self-insured, if any, as the result of permitted deductible amounts under the Loan Agreement; or

(ii) title to, or the use of, all or any material part of the 1999 Project shall have been taken by Condemnation so that in the opinion of an Authorized Representative of the University, the University is thereby prevented from carrying on its normal operations therein for a period of eighteen (18) consecutive months after such taking.

Extraordinary Redemption of Series B Bonds. The Series B Bonds are subject to extraordinary mandatory redemption prior to maturity in whole or in part on any Debt Service Payment Date, without premium or penalty, at a Redemption Price equal to 100% of the principal amount thereof, plus interest accrued to the Redemption Date upon the occurrence of any one of the following events:

(i) the 2009 Project or any material portion of the 2009 Project shall have been damaged or destroyed to such extent that, in the opinion of an Authorized Representative of the University, (a) the 2009 Project or any such portion of the 2009 Project cannot be reasonably restored within a period of eighteen (18) consecutive months after such damage or destruction, (b) the University is thereby prevented or is reasonably expected to be thereby prevented from carrying on its normal operations within the 2009 Project or such portion of the 2009 Project for a period of eighteen (18) consecutive months after such damage or destruction, (c) or the cost of restoration of the 2009 Project or such portion of the 2009 Project would exceed the Net Proceeds of insurance carried thereon, plus the amount for which the University is self-insured, if any, as the result of permitted deductible amounts under the Loan Agreement; or

(ii) title to, or the use of, all or any material part of the 2009 Project shall have been taken by Condemnation so that in the opinion of an Authorized Representative of the University, the University is thereby prevented from carrying on its normal operations therein for a period of eighteen (18) consecutive months after such taking.

Mandatory Taxability Redemption. The Bonds shall be redeemed in whole as soon as practicable after the occurrence of an Event of Taxability and the receipt by the Trustee of written notice of the occurrence of an Event of Taxability (but in no event later than one hundred twenty (120) days following the date a Responsible Officer of the Trustee is notified of an Event of Taxability) from any Owner or the University, at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest from the Tax Incidence Date to the Redemption Date.

Notice of Redemption

When Bonds are to be redeemed pursuant to the Indenture, the Trustee shall give notice of the redemption of the Bonds in the name of the Issuer stating: (i) the Bonds to be redeemed; (ii) the Redemption Date; (iii) that such Bonds will be redeemed at the Office of the Trustee; (iv) that on the Redemption Date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, together with interest accrued to the Redemption Date; and (v) that from and after the Redemption Date interest thereon shall cease to accrue.

Notice of redemption required by the Indenture shall be given by mailing at least thirty (30) days and not more than sixty (60) days prior to such Redemption Date to the Owner of each Bond to be redeemed at the address shown on the registration books; provided, however, that the failure to give such notice by mailing, or any defect therein, shall not affect the validity of any proceeding for the redemption of Bonds.

Mutilated, Lost, Stolen or Destroyed Bonds

In the event any Bond is mutilated, lost, stolen or destroyed, the Issuer shall execute and, upon its request, the Trustee shall authenticate and deliver, a new Bond of like maturity, interest rate and principal amount and bearing the same number (or such other number as the Trustee shall permit) as the mutilated, destroyed, lost or stolen Bond, in exchange for the mutilated Bond, or in substitution for the Bond so destroyed, lost or stolen. In every case of exchange or substitution, the applicant shall furnish to the Issuer and to the Trustee (i) such security or indemnity as may be required by them to hold each of them harmless from all risks, however remote, and (ii) evidence to their satisfaction of the mutilation, destruction, loss or theft of the applicant's Bond and of the ownership thereof. Upon the issuance of any Bond upon such exchange or substitution, the Issuer may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses, including counsel fees, of the Issuer or the Trustee. In case any Bond which has matured or is about to mature shall become mutilated or be destroyed, lost or stolen, the Issuer may, instead of issuing a Bond in exchange or substitution therefor, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated Bond) if the applicant for such payment shall furnish to the Issuer and to the Trustee such security or indemnity as they may require to hold them harmless and evidence to the satisfaction of the Issuer and the Trustee of the mutilation, destruction, loss or theft of such Bond and of the ownership thereof.

All Bonds shall be held and owned upon the express condition that the above provisions are exclusive, with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds, and shall preclude all other rights or remedies, notwithstanding any law or statute existing or hereinafter enacted to the contrary.

Negotiability; Transfers and Exchanges of Bonds

All Bonds shall be negotiable, subject to the provisions for registration and transfer contained in the Indenture and in the Bonds.

So long as any Bonds shall remain Outstanding, the Issuer shall maintain, at the Office of the Trustee, books for the registration and transfer of Bonds. The Trustee is the Bond Registrar for the Issuer for the purpose of registering and making transfers on such registration books. The Trustee, as Bond Registrar, shall register in such books and permit to be transferred thereon, under such reasonable regulations as the Trustee may prescribe, any Bond entitled to registration or transfer.

Bonds shall be transferable only on the books of the Issuer, upon surrender thereof at the Office of the Trustee, together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his attorney duly authorized in writing. Upon the transfer of any registered Bond, the Issuer shall issue in the name of the transferee a new Bond or Bonds of the same aggregate principal amount and maturity and rate of interest as the surrendered Bond.

The Issuer, the Trustee and any Paying Agent may deem and treat the Person in whose name any Bond shall be registered upon the books of the Issuer as the absolute Owner thereof, whether such Bond shall be overdue or not for the purpose of receiving payment of the principal or Redemption Price and, except as otherwise provided in the Indenture, interest on such Bond and for all other purposes. All such payments so made to any such registered Owner or upon his order shall be valid and effectual to satisfy and discharge the liability of the Issuer upon such Bond to the extent of the sum or sums so paid. Neither the Issuer, the Trustee nor any Paying Agent shall be affected by any notice to the contrary.

In all cases in which the privilege of exchanging or transferring Bonds is exercised, the Issuer shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of the Indenture. All Bonds surrendered in any exchanges or transfers shall forthwith be cancelled in accordance with the provisions of the Indenture. For every exchange or transfer of Bonds, whether temporary or definitive, the Issuer or the Trustee may make a charge sufficient to reimburse it for (i) any tax, fee or other governmental charge required to be paid with respect to the delivery of definitive Bonds in exchange for temporary Bonds, (ii) the cost of preparing each new Bond, and (iii) any other expenses of the Issuer or the Trustee incurred in connection therewith.

Neither the Issuer nor the Trustee shall be obligated to exchange or transfer any Bond during the ten (10) days next preceding (i) a Debt Service Payment Date, or (ii) in the case of any proposed redemption of Bonds, the date of the first mailing of notice of such redemption.

Book-Entry Only System

The following description of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of interest and other payments on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interests in the Bonds and other related transactions by and between DTC, DTC Participants and Beneficial Owners is based on certain information furnished by DTC. Accordingly, neither the Issuer, the University, the Underwriter nor the Trustee makes any representations concerning these matters.

The Depository Trust Company ("DTC"), New York, NY will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered 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 Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, 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, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

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

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

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

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

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

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

The Trustee and the Issuer may treat DTC (or its nominee) as the sole and exclusive registered owner of the Bonds registered in its name for the purposes of payment of the principal of or interest on the Bonds, giving any notice permitted or required to be given to registered owners, registering the transfer of the Bonds, obtaining consent or other action to be taken by registered owners and for all other purposes whatsoever. Conveyance of notices and other communications by DTC to Participants, by DTC to Indirect Participants and by Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory and regulatory requirements as may be in effect from time to time.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF ANY DTC SERIES OF BONDS AS NOMINEE OF DTC, REFERENCES HEREIN TO THE HOLDERS OF SUCH DTC SERIES OF BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF SUCH SERIES OF BONDS.

NEITHER THE ISSUER, THE UNIVERSITY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT, (2) THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT, SINKING FUND INSTALLMENT FOR, REDEMPTION PRICE OF OR INTEREST ON THE BONDS; (3) THE DELIVERY BY DTC OR ANY PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO HOLDERS OF BONDS; (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF BONDS; OR (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS HOLDER OF BONDS.

DTC may discontinue providing its service with respect to the Bonds at any time by giving notice to the Trustee and the Issuer and discharging its responsibilities with respect thereto under applicable law, or the Issuer may terminate its participation in the system of book-entry transfer through DTC at any time by giving notice to DTC. In either event, the Issuer may retain another securities depository for the Bonds or may authenticate and deliver bonds in the form of fully registered bond certificates in accordance with instructions from DTC or its successor. If the Issuer delivers such bond certificates, principal of the Bonds, and any premium, if applicable, would be payable in lawful money of the United States of America at such office as may be designated by the Issuer and interest on the Bonds will be payable by wire transfer or by check mailed to the respective addresses of the registered owners thereof as shown on the registration books of the Issuer as of the close of business on the last day of the calendar month preceding the applicable interest payment date.

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DEBT SERVICE REQUIREMENTS ON THE BONDS

The following table sets forth, for the period ending August 31 of each year, the (i) debt service on outstanding bonds of the University and (ii) debt service on the Bonds.

Twelve-Month Period Ending August 31	Debt Service on Outstanding Bonds*	Interest Payments on the Bonds	Principal Payments on the Bonds	Total Debt Service
2010	$3,806,616.25	$1,200,059.83	--	$5,006,676.08
2011	3,806,862.50	1,400,037.50	$1,410,000.00	6,616,900.00
2012	3,804,971.25	1,322,812.50	1,985,000.00	7,112,783.75
2013	3,804,856.25	1,236,762.50	2,075,000.00	7,116,618.75
2014	3,802,237.50	1,145,125.00	2,170,000.00	7,117,362.50
2015	3,796,062.50	1,089,387.50	545,000.00	5,430,450.00
2016	3,786,875.00	1,072,812.50	560,000.00	5,419,687.50
2017	3,774,250.00	1,054,987.50	580,000.00	5,409,237.50
2018	3,767,875.00	1,030,562.50	600,000.00	5,398,437.50
2019	3,767,106.25	999,812.50	630,000.00	5,396,918.75
2020	3,765,412.50	970,862.50	660,000.00	5,396,275.00
2021	3,763,312.50	943,962.50	685,000.00	5,392,275.00
2022	3,756,837.50	915,962.50	715,000.00	5,387,800.00
2023	3,761,050.00	886,862.50	740,000.00	5,387,912.50
2024	3,756,925.00	856,662.50	770,000.00	5,383,587.50
2025	3,758,062.50	824,262.50	800,000.00	5,382,325.00
2026	3,755,075.00	788,475.00	835,000.00	5,378,550.00
2027	3,747,550.00	750,000.00	875,000.00	5,372,550.00
2028	3,743,950.00	709,725.00	915,000.00	5,368,675.00
2029	3,748,625.00	667,650.00	955,000.00	5,371,275.00
2030	3,746,050.00	621,287.50	995,000.00	5,362,337.50
2031	3,741,225.00	570,287.50	1,045,000.00	5,356,512.50
2032	3,738,625.00	516,662.50	1,100,000.00	5,355,287.50
2033	2,607,750.00	460,287.50	1,155,000.00	4,223,037.50
2034	2,605,500.00	401,162.50	1,210,000.00	4,216,662.50
2035	2,607,500.00	337,575.00	1,270,000.00	4,215,075.00
2036	2,603,500.00	269,062.50	1,340,000.00	4,212,562.50
2037	--	196,875.00	1,410,000.00	1,606,875.00
2038	--	120,881.25	1,485,000.00	1,605,881.25
2039	--	40,950.00	1,560,000.00	1,600,950.00
TOTAL:	$97,124,662.50	$23,401,816.08	$31,075,000.00	$151,601,478.58

*Includes debt service on the 2002 Bonds and 2005 Bonds, but excludes the University's long term capital lease obligations and the U.S. Department of Education Mortgage Payable. See "THE UNIVERSITY - Outstanding Indebtedness of the University" for a description of the University's outstanding bonds, capital lease obligation and U.S. Department of Education Mortgage Payable.

SECURITY FOR THE BONDS

The principal or Redemption Price of, and interest on the Bonds are payable solely from (i) the moneys payable by the University under the Loan Agreement and (ii) all moneys and obligations which are deposited or required to be deposited in the Bond Fund, the Project Fund, or any other fund established under the Indenture (except the Rebate Fund). The Bonds are not secured by any mortgage lien on or security interest in the 1999 Project or the 2009 Project or in any other real or personal property of the University.

Pursuant to the Indenture, the Issuer will pledge and assign to the Trustee a security interest in certain moneys due or to become due, and certain other rights and remedies of the Issuer, under or arising out of the Loan Agreement (except for certain rights specially reserved to the Issuer, the "Unassigned Rights"). The University's obligation to make payments under the Loan Agreement is an unconditional obligation of the University.

Special Obligations; Limited Resources

The Bonds are special obligations of the Issuer and are payable solely from the revenues, receipts and other payments derived from the Loan Agreement and the Indenture. Payments pursuant to the Loan Agreement are required to be made by the University directly to the Trustee and to be deposited in a separate Bond Fund held by the Trustee for the payment of the principal of, redemption premium, if any, and interest on the Bonds.

THE BONDS ARE NOT OBLIGATIONS OF THE STATE OF NEW YORK OR ANY POLITICAL SUBDIVISION THEREOF (INCLUDING, WITHOUT LIMITATION, THE TOWN OF HEMPSTEAD, NEW YORK), AND NEITHER THE STATE OF NEW YORK NOR ANY POLITICAL SUBDIVISION THEREOF (INCLUDING, WITHOUT LIMITATION, THE TOWN OF HEMPSTEAD, NEW YORK) HAS ANY LIABILITY, LEGAL, MORAL OR OTHERWISE THEREUNDER. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF NEW YORK OR ANY POLITICAL SUBDIVISION THEREOF (INCLUDING, WITHOUT LIMITATION, THE TOWN OF HEMPSTEAD, NEW YORK) HAS BEEN PLEDGED TOWARDS THE PAYMENT OF THE BONDS. THE BONDS ARE SPECIAL OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE SOURCES PROVIDED IN THE INDENTURE AND THE OTHER BOND DOCUMENTS. THE BONDS DO NOT NOW AND SHALL NEVER CONSTITUTE A CHARGE AGAINST THE GENERAL CREDIT OF THE ISSUER. NEITHER THE DIRECTORS, OFFICERS, MEMBERS OR EMPLOYEES OF THE ISSUER, THE TRUSTEE OR ANY PERSON EXECUTING THE BONDS SHALL BE LIABLE PERSONALLY OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE THEREOF. THE ISSUER HAS NO TAXING POWERS.

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THE UNIVERSITY

The information contained hereinafter has been provided by Adelphi University and no assurance can be given or is any representation made by the Issuer, the Trustee or the Underwriter as to its accuracy or completeness.

History of the University

Adelphi University, a pioneering private university, offers the personalized focus of a liberal arts education with the academic rigors of nationally-recognized undergraduate and graduate professional programs. Founded in Brooklyn, New York, in 1896, Adelphi has been creating opportunities for students through rigorous education in the liberal arts and sciences, as well as the professions, for more than 113 years.

Adelphi was one of the first co-educational colleges in New York State and became the first liberal arts college on Long Island when it moved to Garden City, New York, in 1929. Today, the University continues to make history. On July 15, 2000, Dr. Robert Allyn Scott was appointed the ninth president of Adelphi, ushering in a new era of unprecedented growth and sound fiscal leadership. The School of Nursing launched the first master's degree in emergency nursing and disaster management in New York State. In 2004, Adelphi made history as the first university to use robotic technology in a theater production. In 2005, Adelphi became the only university on Long Island, and one of a handful in New York State, to offer a doctorate degree in nursing. The University began offering a new masters degree in physics with a concentration in optics in the Fall of 2007, making it the only institution in the New York metropolitan area and one of only 20 institutions nationwide to offer this degree.

In 2003, Adelphi opened its first new residence hall in 36 years, and in 2005, it opened the Adele and Herbert J. Klapper Center for Fine Arts, the first academic building to be added to the campus in more than 30 years.

In 2008, Adelphi opened three new buildings on its main campus:

- a 54,000 square foot Performing Arts Center
- a 75,000 square foot Recreation and Sports Center
- an 8,500 square foot Early Learning Center

Founded with an enrollment of 57, the University today attracts more than 8,500 students from across the region, the country, and the world to pursue undergraduate and graduate degrees in its schools and programs: the College of Arts and Sciences; the Gordon F. Derner Institute of Advanced Psychological Studies; the Honors College; the Ruth S. Ammon School of Education; the Schools of Business, Nursing, and Social Work; and University College. To accommodate regional needs, the University has expanded beyond its 70-acre Garden City campus, opening centers in Manhattan; Hauppauge, New York; and Poughkeepsie, New York.

Adelphi's more than 96,000 talented alumni are leaders in their professions, their communities and the world. The University is especially renowned for preparing distinguished graduates in the arts, business, education, health care, social work and psychology. Adelphi faculty members have garnered numerous honors, including the Pulitzer Prize, Grammy nominations, Fulbright and Carnegie Foundation fellowships, and National Institutes of Health and National Science Foundation grants for their scholarship and artistic contributions. Adelphi students continue to stand out for their academics, athleticism, artistry, and service. The University has been named four times as one of America's "best and most interesting colleges" in the United States by the *Fiske Guide to Colleges*, and is only one of a handful of colleges to earn the "Best Buy" distinction in the 2007, 2008, 2009 and 2010 editions. Adelphi has been cited by *U.S. News & World Report* for its innovative joint degree programs and was described as "thriving" by the *New York Times.*

In 2003, the University embarked on the leadership phase of its first-ever comprehensive fundraising campaign, and secured its first gift of $1 million in the same year. Since then, Adelphi has raised ten additional gifts of $1 million or more, including a record-setting $9.5 million gift from an alumna and University trustee. In September 2007, Adelphi secured a $600,000 challenge grant from the Kresge Foundation, a first for the University. In October 2007, Adelphi launched the public phase of the comprehensive fundraising campaign with a variety of events spanning several days.

Adelphi continues to unite liberal arts and sciences with professional programs to prepare students to succeed personally and professionally. The University is an independent, comprehensive institution chartered by the University of the State of New York. It is accredited by the following major accrediting entities:

Middle States Association of Colleges and Schools
Association to Advance Collegiate Schools of Business
National Council for Accreditation of Teacher Education
Commission of Collegiate Nursing Education
American Psychological Association
American Speech-Language and Hearing Association
Council on Social Work Education

Academic programs at Adelphi are first-rate. Individual schools and departments with the University hold professional memberships specific to their areas of expertise. All five of Adelphi's professional schools hold accreditation with national or international professional accreditation associations. The Derner Institute as well as Adelphi's Schools of Social Work and Nursing are accredited for the maximum allowable time. In fact, Adelphi's School of Social Work was reaccredited with no recommendations for improvements by the Council on Social Work Education's site evaluation committee, and the School's self-study document so impressed the Council that it is now used as a model in reaccredidation training sessions for other programs.

In 2007, both Adelphi University's Ruth S. Ammon School of Education and its School of Business secured initial professional accreditation from the major accrediting bodies in their fields. In April 2007, the Ruth S. Ammon School of Education joined a select group of universities when it was awarded full accreditation from the National Council for the Accreditation of Teacher Education (NCATE). Adelphi is one of 46 New York State institutions to achieve this distinguished recognition. In August 2007, the School of Business earned a prestigious accreditation from the Association to Advance Collegiate Schools of Business International (AACSB), the largest global accrediting body for business schools. Fewer than 10 percent of business schools worldwide have earned AACSB International accreditation. Significantly, Adelphi University is the first business school in the United States to achieve initial accreditation under the standards adopted in 2003.

Scholars throughout the University are making significant contributions to their disciplines. In the last seven years, seven faculty members have received Fulbright scholarships, one faculty member received a Pulitzer prize in music, and funded research has steadily increased in both grant submissions and awards.

Strategic Plan and Investments

In December 2003, a "Consolidated Goals and Strategies: Six-Year Campaign" was approved by the Board of Trustees. These goals included more than $130 million in construction projects and a call for significant expansion of resources for (i) new academic programs, (ii) endowment for professorships and faculty release time for scholarship, and (iii) special initiatives for students, including expanded endowment for financial aid and on-campus employment opportunities. The University is now in the public phase of the Campaign for Adelphi, which will raise $56 million through private fundraising as a supplement to (i) reallocation of funds, (ii) receipt of Federal and State matching grants and (iii) debt. The Campaign has raised cash and pledges of approximately $42 million to date and is expected to end in 2011.

The *New York Times* wrote, in September 2006:

> *By virtually every measure — applications, enrollment, academic scores, faculty hiring, fund-raising, bond ratings and college rankings — Adelphi has not only survived but has even surpassed its past accomplishments.*
>
> *"Adelphi is experiencing a renaissance of sorts," said the most recent Fiske Guide to Colleges, which had omitted the university for five years. "Students speak of an almost palpable sense of energy among faculty and students." Fiske now rates Adelphi among 26 "best buy" colleges in the United States. Fund-raising, which slumped to $627,192 in 1997, soared last year to $9.5 million.*
>
> *Adelphi is distinguishing itself in other circles. Two years ago Professor Paul Moravec won the Pulitzer Prize for music. This year Adelphi issued Vital Signs, a major study of social issues affecting Long Island. The women's lacrosse team has won national championships in two of the last three years.*

In 2009, the women's lacrosse team won another national championship, making its total three in six years.

The University has enjoyed continued improvement in its academic, financial and physical conditions, which are further enhanced by the provisions of the six-year campaign. The following investments and improvements are among the most notable:

Investment in Faculty

Of the current faculty as of Spring 2009, approximately 200, representing over 66% of the total, have been appointed since 2001.

At the same time, significant investments in faculty development are being made. In this regard, the University established a Faculty Center for Professional Excellence to enhance teaching techniques, with particular emphasis on expanding the use of technology in the curriculum and classroom. In addition, the University is supporting faculty scholarship with additional release time. To encourage further academic rigor throughout the University, the Provost and Deans are actively engaging the faculty in curriculum review, program reviews, and annual performance reviews.

Enrollment Growth

Enrollments for the 2008-09 academic year have increased by 63% since the 1997-98 academic year, with an increase of 120% at the undergraduate level. For the Fall 2008 semester, the number of new undergraduates enrolled as freshmen and transfers was over twice the number enrolled in Fall 1997, while freshmen enrollments alone are three times as large. The University's overall financial aid discount rate continues to be a manageable 18% for the year ended August 31, 2009.

Preliminary numbers for freshmen applications for the Fall 2009 are approximately 7,400, which represented an increase of approximately 425% from 1997 and will be the largest number in Adelphi history. The University's acceptance rate is approximately 68% and its yield rate is approximately 20%. This will result in a freshman class of approximately 1,000, which will also be the highest number in Adelphi's history.

Honors College

The Honors College offers a highly challenging and enriched program for Adelphi's best-prepared and most motivated undergraduates. The 270 Honors students have average Scholastic Achievement Test ("SAT") scores of approximately 1,300 and usually come from the top 10% of their high school class. Rigorous honors courses are distributed throughout the four years of study and fulfill the students' general education requirements. Additional requirements include regular attendance at cultural events and a year-long senior thesis project. The Honors College offers a wide array of extracurricular and cocurricular activities, including many events at the Dean's home and at the great cultural institutions of New York City.

The Honors College prepares students to compete advantageously in their chosen paths after graduation, whether they begin work immediately or, more commonly, continue with professional or graduate education. Honors College students have recently been accepted for law school at the University of Pennsylvania, Cornell, Emory, Fordham, and Georgetown; for medical school at Harvard, New York University, Columbia, Rochester, Syracuse, and State University of New York Stony Brook; for dental school at the University of Pennsylvania, Yale, Columbia, Tufts, and State University of New York Stony Brook; for veterinary school at the University of Pennsylvania and Tufts; and for Ph.D. programs (often with full tuition and stipends) at Yale, M.I.T., New York University, Boston University, Fordham, City University of New York, University of Virginia, University of Texas at Austin, Northwestern, University of North Carolina at Chapel Hill and many others.

Growth of University's Reserves

In the seven years from 2001 to 2008, the University's endowment has increased by $57.0 million, or 119%, from $47.8 million to $104.8 million. This has been accomplished through prudent fiscal management, operating surpluses, new endowment gifts and significant investment income.

Although the 2008-09 fiscal year results will not be finalized until late 2009, the preliminary results reveal an operating surplus before discretionary designations of approximately $3 million.

Investment in Capital Facilities and Equipment

Since 1997, in addition to the increases in the University's Endowment and Unrestricted Reserves, the University has invested more than $200 million in its Garden City campus and infrastructure. The facilities improvements have included:

- the new Adele and Herbert J. Klapper Center for Fine Arts;
- the new Centers for Sport and Performing Arts Buildings;
- the new Early Learning Center;
- the 181-bed residence hall;
- the renovation and modernization of the Hagedorn Hall of Enterprise (School of Business building) and Swirbul Library, including instructional space, creation of an

Information Commons area and student laboratories, and infrastructure repairs and replacement of electrical and mechanical systems;

- the creation of Archives and Special Collections space, as well as curational space to support the institution's art collection and many gallery spaces and growing on-line art collection;
- the modernization and refurbishment of classrooms, faculty offices, laboratories, studio, athletic and theatre facilities;
- the renovation of the Science Library into classrooms and the relocation of the Science Library to the Swirbul Library building;
- the expansion of information systems capabilities in all Garden City campus facilities, including installation of new fiber-optic cabling and underground conduits, expansion and upgrade of multimedia classroom facilities, installation of computer instruction/smart classrooms, creation and upgrade of student and faculty computer labs, and installation of a new phone system;
- multimillion dollar modernization of laboratories in physics and optics, communications, biology, anthropology and chemistry;
- infrastructure replacement of roofing, electrical and plumbing and HVAC systems and fire, safety and security systems; and
- modernization and refurbishment of residential and dining facilities.

Governance

The Board of Trustees of Adelphi University (the "Board" or the "Board of Trustees") consists of no fewer than 18 members and no more than 35 members. The Board is entrusted with the conduct and supervision of the affairs of the University and has the power to make all necessary and lawful rules and regulations for the administration of the University. Trustees, other than the President of the University, who serves ex-officio, are elected for three-year renewable terms, for a maximum of four consecutive terms (12 years). Trustees are divided into three classes, with members of one class eligible for renewal each year.

The Board of Trustees meets four times each year, plus conducts an annual strategic retreat meeting. The Executive Committee has the power of the Board of Trustees (with certain exceptions) when the Board is not in session. The Executive Committee consists of the Officers of the Board, including the President of the University (in an ex-officio capacity) and at least five other members of the Board. The standing Board of Trustees committees consist of the Executive Committee, the Academic Affairs Committee, the Audit Committee, the Trustee Affairs Committee, the Advancement Committee, the Finance and Administration Committee, the Investment Committee, the Buildings and Grounds Committee, and the Student Life Committee.

The current Board of Trustees of the University and certain of their professional affiliations are listed below. Alumni are indicated by an *.

Administration

The University is administered on a day-to-day basis by the President and other officers of the University. The President directs the general affairs of the University and is responsible to the Board of Trustees as the executive leader of the University. The President is elected by the Board of Trustees; other administrative officers are appointed by the President and serve at the pleasure of the President with the concurrence of the Board.

The principal administrative officers of Adelphi University are listed below:

Robert Allyn Scott, President

Dr. Robert Allyn Scott is one of the few people ever to hold the top three posts in higher education: President of a private university (Adelphi), President of a public institution (Ramapo College of New Jersey) and senior executive of a state higher education coordinating board (Indiana and New Jersey). In each position, Dr. Scott has been a leader in global education as well as health science education and public health issues. While in New Jersey, he also served for 13 years on the executive committee of Hackensack University Medical Center, where he was active in strategic planning. Dr. Scott became Adelphi's ninth President in July 2000.

Because of his expertise and Adelphi University's heritage as a health sciences institution, he has served as chairman of the World Health Organization ("WHO")-University Liaison Group. For 10 years prior to joining Adelphi, Dr. Scott was non-executive chairman of a publicly traded science supply company.

Dr. Scott earned his Bachelor of Arts degree at Bucknell University and his Ph.D. at Cornell University.

Gayle D. Insler, Provost and Senior Vice President for Academic Affairs

Gayle D. Insler is Adelphi's Provost and Senior Vice President for Academic Affairs. Prior to becoming Provost, Dr. Insler was the Dean of Adelphi's College of Arts and Science from 1997 through 2008. During her 11 years as Dean, enrollment in the College increased by more than 138% and the full-time instructional faculty grew 19%. Dr. Insler has served many roles at the University since she joined the faculty as an assistant professor of biology in 1977. She received her B.S. in biology from SUNY Stony Brook, and her M.S. and Ph.D. in zoology from the University of Massachusetts, Amherst.

Timothy P. Burton, Senior Vice President and Treasurer

Timothy P. Burton became the Chief Financial Officer of Adelphi in 2002. Prior to joining Adelphi University in 1991 as Associate Treasurer, Mr. Burton was senior manager at Deloitte & Touche, having spent 13 years providing audit services. Mr. Burton received a B.S. in Accounting from the State University of New York at Albany in 1978. Mr. Burton is a Certified Public Accountant licensed in New York State.

Angelo B. Proto, Vice President for Administration and Student Services

Angelo B. Proto is Vice President for Administration and Student Services at Adelphi, a position to which he was named in August 1998. He serves as the senior officer responsible for (i) student services, including the recruitment and retention of students at Adelphi, as well as (ii) public safety and (iii) physical plant. From 1978 until 1998, he served the City University of New York system as University Dean for Student Affairs and Services, adding to that title the additional responsibilities of Interim Vice Chancellor for Student Affairs and Enrollment Services for the 1997-1998 academic year.

He was University Director of Admissions for CUNY from 1975 to 1978, and Director of Admissions and Acting Registrar at Baruch College from 1970 to 1972. Mr. Proto received his B.S. in Management from Pratt Institute in 1964 and his M.B.A. in Business Administration from Adelphi University in 1970.

Lori Duggan Gold, Vice President for Communications

Lori Duggan Gold joined Adelphi in 2003. For more than 20 years, she has provided strategic communications planning advice to not-for-profits, education companies, corporations, and government agencies. During her career she created and implemented national publicity and integrated communications campaigns and worked with sales and marketing teams to heighten awareness of brands and institutions. She serves as the primary liaison for the University with State and Federal officials and is responsible for government relations strategic planning and counseling, issues management, legislative lobbying, and government grants. She serves as the University's representative at regional and national events. She received her baccalaureate degree in Politics and Metropolitan Studies from New York University in 1987 and a graduate certificate in emergency management from Adelphi University in 2008.

Christian P. Vaupel, Vice President for University Advancement

Christian P. Vaupel is Vice President for University Advancement at Adelphi. Since June 2004, Chris had served as Adelphi's Deputy Vice President for University Advancement, and since October 2004, as Chief Development Officer. In this role, he is responsible for the University's alumni relations program and for all University fundraising operations, including major and planned giving, annual giving, fundraising events, prospect research and advancement services. In 2005, he successfully completed the Management Development Program at the Harvard Graduate School of Education He earned his Bachelor's degree in 1996 and his Master's degree in 2003, both from Adelphi.

Academic Structure of the University

The University's academic departments are organized into seven degree-granting units.

The College of Arts & Sciences offers the Bachelor of Arts, the Bachelor of Science, the Bachelor of Fine Arts, Post-Baccalaureate certificate programs, the Master of Arts, Master of Fine Arts and the Master of Science degrees. The College also hosts the General Studies program, a one-year program which offers intensive liberal arts curriculum and academic support service for students who do not meet Adelphi's admission requirements but who show academic promise. Students who successfully complete the one-year program continue their second year in a traditional undergraduate degree program.

The School of Business grants the Bachelor of Business Administration, the Bachelor of Science, the Master of Business Administration and the Master of Science degrees as well as various Post-graduate Certificates. The School offers a variety of courses within eight disciplines, including Economics. In addition, the School of Business offers, in conjunction with the School of Nursing, a joint M.B.A. and a Master of Science in Nursing; and, in conjunction with the School of Social Work, a Post-Master's Certificate in Human Resource Management.

The Gordon F. Derner Institute for Advanced Psychological Studies offers the Bachelor of Arts; the Master of Arts degree in General Psychology, School Psychology and Mental Health Counseling; the Doctor of Philosophy degree in Clinical Psychology, and Postdoctoral Certificates. Five types of postdoctoral diplomas are offered: psychoanalysis and psychotherapy; child, adolescent and family psychotherapy; group psychotherapy; marriage and couple therapy; and psychodynamic school psychology.

The Ruth S. Ammon School of Education contains three departments: Curriculum and Instruction; Health Studies, Physical Education and Human Performance Science; and Communication

Science and Disorders. The School grants the Bachelor of Arts, the Bachelor of Science, the Master of Arts, the Master of Science, the Doctor of Audiology, the Doctor of Arts, and Post-graduate Certificates. In 1995, the School established the Scholar Teacher Education Program ("STEP"), a five-year combined baccalaureate/master's program to prepare students to teach at the childhood (grades pre–K to 6) or adolescent (grades 7 to 12) levels. The School is responsible for the Learning Disabilities Program, the Literacy Clinic, the Early Learning Center, the Hy Weinberg Center for Communication Disorders and the Parenting Institute.

The School of Nursing offers the Bachelor of Science, the Master of Science, the Doctor of Philosophy (Ph.D.) and Post-graduate Certificate programs. The Master of Science is offered for programs in adult health nursing, emergency nursing, nursing education and nursing administration.

The School of Social Work offers the Bachelor of Social Work (B.S.W.), the Master of Social Work (M.S.W.), and the Doctor of Philosophy (Ph.D.) degrees. The School offers a B.S.W./M.S.W. advanced standing program for undergraduate students who do well academically. Students who are accepted to this program start their studies toward a M.S.W. degree while still undergraduates. The School also offers an evening program that leads to a B.S.W.

University College accepts adult students aged 21 or older. Course scheduling as well as support services are available evenings and weekends. Students can earn an Associate of Arts, a Bachelor of Arts, or a Bachelor of Science degree through the programs offered. University College also offers a cooperative program with the Department of Art and Art History to earn a Bachelor of Fine Arts degree. Post-Baccalaureate Certificates in Basic Science for Health Professions and Emergency Management were recently added to the unit's offerings.

Faculty

As of January 1, 2009, the beginning of the University's Spring 2009 semester, the University had 307 full-time faculty, approximately 50% of whom were tenured. In excess of 90% of the full-time faculty members hold the highest degree awarded in their respective fields of study. The full-time faculty is augmented by a part-time faculty of approximately 510 adjuncts. The student/faculty ratio for the academic year 2008-09 was approximately 10:1. Average compensation for full-time faculty is as follows:

Full-Time Faculty
Average Compensation
For Academic Year 2008-09

	Number	Average Base	Average Fringe Benefits	Average Total
Professors	72	$114,542	$30,354	$144,896
Associate Professors	93	94,299	24,989	119,288
Assistant Professors	121	77,565	20,555	98,119
Other	21	72,455	19,201	91,655
Total/Average	307	$90,957	$24,104	$115,061

Other Staff Members

In addition to the full-time and part-time faculty noted above, as of January 1, 2009, the University had approximately 700 full-time and approximately 45 part-time employees. Approximately

250 custodians, public safety, maintenance and clerical employees are represented by labor unions. The University maintains favorable relationships with the unions and does not foresee any labor difficulties that would materially adversely affect its operations.

Labor Relations

The University has five collective bargaining agreements covering the faculty, office and professional employees, maintenance, custodian and security employees, as detailed in the following table:

Unions	***Represented By***	***Contract Expiration Date***
Office and Professional Employees	Office and Professional Employees International Union (Local 153) AFL-CIO	August 31, 2010
Custodians	RWDSU/UFCW (Local 1102)	June 30, 2011
Security Employees	Benevolent Association	June 30, 2011
Maintenance Employees	Adelphi Physical Plant Workers Labor Union	December 31, 2011
Faculty	American Association of University Professors	August 31, 2014

Enrollment

The following table presents annualized student enrollment figures representing full-time equivalents ("FTE's") enrolled in degree programs for the past six years:

	Undergraduate	**Graduate/Postbaccalaureate**	**Total**
2004-05	3,847	2,262	6,109
2005-06	4,080	2,251	6,331
2006-07	4,280	2,245	6,525
2007-08	4,300	2,275	6,575
2008-09	4,331	2,231	6,562
2009-10 *(estimated)*	4,405	2,200	6,605

In addition to the enrollments indicated above, the University has two Summer sessions. Approximately 2,700 students (1,200 FTE's) enrolled for the Summer 2009 session. Also, the University enrolls approximately 300 FTE students in non-degree programs. In Fall 2009, approximately 1,175 students will reside in University housing on the Garden City Campus that has a designed capacity of 1,085.

Applications and Admissions

The following table sets forth applications, acceptances and enrollments for prospective undergraduate -- freshmen and transfer students -- and graduate/post-baccalaureate students for the Fall semester of the years noted:

	2004	2005	2006	2007	2008	2009 (estimated)
Undergraduate						
Applications	6,453	7,300	7,852	8,330	9,225	9,700
Acceptances	4,414	4,500	4,903	5,201	5,562	5,800
Enrollments *(headcounts)*	1,407	1,485	1,512	1,468	1,552	1,550
Percent Accepted	68%	62%	62%	62%	60%	60%
Percent Enrolled	32%	33%	31%	28%	28%	27%
Mean Freshman SAT	1,106	1,119	1,079	1,080	1,080	1,080
Graduate/ Post-Baccalaureate						
Applications	2,573	2,649	2,684	2,799	2,836	3,000
Acceptances	1,400	1,531	1,480	1,555	1,534	1,600
Enrollments *(headcounts)*	1,060	1,100	1,008	1,101	953	960

Freshman Geographic Profile

The following table sets forth the geographic origin of the University's entering freshman class, expressed as a percentage of total freshman enrollments, for the last five academic years. The "Northeast Region" category indicated below includes freshman students from states from Maine to Virginia (but excluding New York).

Entering Fall Semester	New York State	Northeast Region	Other U.S. and Foreign
2004	87%	6%	7%
2005	82%	10%	8%
2006	84%	7%	9%
2007	83%	9%	8%
2008	87%	6%	7%

Student Fees and Competition

Tuition and fees charged to full-time undergraduate students were as follows for the last five years:

	2005-06	2006-07	2007-08	2008-09	2009-10
Tuition and Fees	$19,720	$20,900	$23,000	$25,240	$26,230

The University competes for qualified students with many other colleges and universities, including various SUNY institutions across Long Island and New York State. On the basis of enrollment and applicant information, the University believes that, among private colleges and universities, its most significant competitors are the institutions included in the following table:

Institution	**Annual Tuition and Fee Rates for the 2008-09 Academic Year**
New York University	$37,372
Fordham University	35,257
Syracuse University	33,439
Pace University	31,357
Ithaca College	30,606
St. John's University	28,790
Hofstra University	28,630
Long Island University-C. W. Post	27,400
Adelphi University	**25,240**

Student Financial Assistance

During the 2008-09 academic year, approximately 86% of the University's full-time traditional undergraduate students received some form of financial assistance. The sources of assistance include University grants and scholarships, state and federal grants, loans and workstudy and funding from private organizations. The following table shows the principal sources and amounts of grants, loans and work-study assistance received by all undergraduate and graduate students for the six years indicated:

	(IN THOUSANDS)					
	2003-04	**2004-05**	**2005-06**	**2006-07**	**2007-08**	**2008-09** *(estimated)*
Grants:						
University						
Unrestricted Operations	$17,352	$19,949	$22,400	$24,800	$26,295	$28,500
Endowment/Restricted	653	500	800	950	550	500
Total	18,005	20,449	23,200	25,750	26,845	29,000
Federal	3,136	3,509	3,600	4,000	4,690	4,700
State and other	5,201	5,322	5,600	5,900	6,695	6,550
Total Grants	26,342	29,280	32,400	35,650	38,230	40,250
Total Loans	33,352	35,493	39,600	41,840	46,130	50,500
Total Work-Study	450	450	450	450	450	450
Total	$60,144	$65,223	$72,450	$77,940	$84,810	$91,200

In addition to the financial aid noted above, the University annually distributes approximately $6.5 million of graduate assistantships and tuition remission awards.

Degrees Conferred

The following table sets forth the number of academic degrees conferred by the University over the past five academic years:

Academic Year	Undergraduate	Graduate/ Post-Baccalaureate	Doctoral/ Postdoctoral	Total Degrees
2004-05	1,013	1,167	55	2,235
2005-06	1,148	1,183	43	2,374
2006-07	1,139	1,147	59	2,345
2007-08	1,327	1,140	42	2,509
2008-09 (est.)	1,400	1,163	37	2,600

Pension Program

The University has contributory defined contribution retirement plans, which cover substantially all full-time employees. It is the University's policy to fully-fund pension costs accrued. The University's contributions are determined in accordance with the related provisions of the union contracts and at the discretion of management for all unrepresented employees. Total pension costs under the plans for the year ended August 31, 2008 amounted to $4.9 million.

Financial Statements

The University maintains its accounts in accordance with the principles and practices of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting purposes in accordance with activities or objectives as specified by donors, in accordance with regulations, restrictions or limitations imposed by sources outside the institution, or in accordance with directions by the Board of Trustees. The University follows the provisions of Statement of Financial Accounting Standards No. 117, "Financial Statements of Not-for-Profit Organizations" (the "Statement"). This Statement specifies that financial statements provided by not-for-profit organizations include a statement of financial position, statement of activities, and statement of cash flows and that net assets be classified as unrestricted, temporarily restricted, or permanently restricted based on the existence or absence of donor-imposed restrictions.

The University's financial statements for the fiscal years ended August 31, 2008 and 2007 were audited by Grant Thornton, LLP, independent certified public accountants and are included as Appendix A to this Official Statement. In the opinion of the University, there has not been a material adverse change in the financial condition of the University since August 31, 2008.

Budgetary Matters

The University constructs an annual operating budget, balancing projected revenue and expenditures. The Treasurer and the President of the University present the annual operating budget for review and approval by the Finance and Administration Committee and the Board of Trustees. The Board specifically approves tuition and fee rate increases, increases in salaries, wages and employee benefits, provisions for financial assistance, and major capital expenditures. Monthly reports comparing actual performance to budget are prepared, and are reviewed by the Treasurer and President, and presented to the Finance and Administration Committee of the Board on a quarterly basis.

Revenues and Expenses of the University

The revenues and expenses of the University for the fiscal years ended August 31, 2008, 2007 and 2006 are as follows:

	(IN THOUSANDS)		
Revenues	**2005-06**	**2006-07**	**2007-08**
Tuition and Fees	$133,422	$146,251	$158,122
Less: scholarships and fellowships	(24,523)	(26,638)	(28,556)
Net Tuition and Fees	108,899	119,613	129,566
Contributions	9,545	6,104	5,835
Government Grants and Contracts	4,021	3,942	4,286
Investment Income ***(See note below)***	10,630	16,908	(2,440)
Sales and Services of Educational Departments	627	677	501
Sales and Services of Auxiliary Enterprises, Net	9,292	9,839	10,607
Other Sources	4,566	4,401	4,371
Total Revenues	147,580	161,484	152,726
Expenses			
Instruction	62,007	68,170	73,537
Research and Public Service	3,271	3,522	3,626
Academic Support	12,706	13,396	13,949
Student Services	16,463	17,812	18,618
Institutional Support	21,658	23,739	24,653
Auxiliary Enterprises	8,676	8,416	8,108
Total Expenses	124,781	135,055	142,491
Increase in Net Assets	$22,799	$26,429	$10,235

Note: *Included in investment income are the following amounts related to net realized and unrealized gains (losses) on investments:*

	$6,104	$11,092	$(7,210)

Endowment

The University's endowment is invested to support the University's future operations and capital needs, and is detailed in the following table:

	(IN THOUSANDS)				
	2004	**2005**	**2006**	**2007**	**2008**
Endowment					
True Endowment	$13,981	$16,526	$19,836	$23,470	$23,398
Quasi-Endowment	52,193	61,173	69,652	82,599	81,439
Total Endowment	$66,174	$77,699	$89,488	$106,069	$104,837

As of July 31, 2009, the University's endowment was approximately $91 million. The endowment is managed by the Board of Trustees Investment Committee, with guidance from an outside consultant – Hewitt Investment Group. The endowment has investment allocations with (i) various U.S. and foreign equity managers, (ii) multiple fixed income managers, (iii) a hedge fund-of-funds and (iv) a commodity fund.

Cash and Investments

Amounts invested as of August 31 for each of the past five years were as follows:

	(IN MILLIONS)				
	2004	**2005**	**2006**	**2007**	**2008**
Cash & Short-term Investments	$30.4	$42.1	$32.8	$42.3	$18.0
Investments	73.4	87.7	119.2	139.5	115.8
TOTAL	$103.8	$129.8	$152.0	$181.8	$133.8

Investments are carried at market value. Assets are invested in accordance with a policy established by the Board of Trustees. The University's spending policy authorizes annual distributions from the endowment not to exceed 5% of a five-year moving average value to supplement current operations. Due to operating surpluses since 2001, no distributions have been taken from the Quasi-Endowment Fund and all earnings have been reinvested.

State Aid

As an independent institution of higher education, the University has benefited from the New York State Direct Institutional Aid program, known as Bundy Aid, which pays aid, unrestricted as to use, based on the number and kinds of academic degrees conferred each year. The amount of aid received over the last five years is as follows:

Fiscal Year	**Bundy Aid**
2004-05	$801,000
2005-06	782,000
2006-07	853,000
2007-08	971,000
2008-09	953,000

Private Gifts

Gifts to the University for the five most recent fiscal years were as follows:

	Unrestricted	**Restricted**	**Endowment**	**Total**
2003-04	$ 829,000	$1,226,000	$ 965,000	$3,020,000
2004-05	1,146,000	3,098,000	364,000	4,608,000
2005-06	1,117,000	6,175,000	2,254,000	9,546,000
2006-07	1,379,000	2,975,000	1,750,000	6,104,000
2007-08	831,000	3,294,000	1,711,000	5,836,000

Facilities

The main campus, which has 28 buildings on approximately 70 acres, is situated in the Village of Garden City, a primarily residential community, approximately 25 miles from New York City. Adelphi draws on its proximity to New York City as a vast academic resource from which the city's artists, scholars and professionals visit the campus to share their expertise with students.

The University currently rents three satellite campus buildings within New York State: New York City, Hauppauge (approximately 50 miles from New York City) and Poughkeepsie (approximately 80 miles from New York City).

Plant Values

The following table details the original cost of the land, buildings and equipment and accumulated depreciation as of August 31 in each of the five most recent fiscal years:

	(IN THOUSANDS)				
	2004	**2005**	**2006**	**2007**	**2008**
Land and Improvements	$2,159	$2,159	$2,159	$2,159	$2,159
Buildings	103,672	112,896	122,804	156,326	215,118
Equipment	30,948	30,833	30,519	31,526	33,241
	136,779	145,888	155,482	190,011	250,518
Accumulated Depreciation	(66,531)	(69,970)	(73,518)	(78,976)	(84,398)
TOTAL	$70,248	$75,918	$81,964	$111,035	$166,120

The University presently carries a blanket insurance policy in an amount in exceeding $360 million on its buildings and their contents.

Outstanding Indebtedness of the University

The following table sets forth the outstanding long-term indebtedness of the University as of August 31, 2008 and 2007:

		2008	**2007**
U.S. Department of Education Mortgage Payable, original amount $1,889,000 with maturities through 2023, with interest at an average annual rate of 5.5%.	(a)	$1,308,948	$1,363,959
Town of Hempstead Industrial Development Agency, Civic Facility Revenue Bonds, original amount $15,000,000 with maturities through 2014, with interest at an average annual rate of 4.86%, plus unamortized premium of $117,503 in 2008 and $139,195 in 2007.	(b)	9,187,503	10,489,195
Town of Hempstead Industrial Development Agency, Civic Facility Revenue Bonds, original amount $16,000,000 with maturities through 2032, with interest at an average rate of 5.36%, plus unamortized premium of $67,677 in 2008 and $70,527 in 2007.	(c)	14,907,677	15,215,527
Town of Hempstead Industrial Development Agency, Civic Facility Revenue Bonds, original amount $42,000,000 with maturities through 2035, with interest at an average annual rate of 4.67%, plus unamortized premiums of $395,063 in 2008 and $409,605 in 2007.	(d)	40,950,063	41,719,605
Capital Lease Obligation, original amount $2,081,648 with maturities through 2011, with interest at an average annual rate of 4.05%.		118,006	171,713
		$66,472,197	$68,959,999

(a) U.S. Department of Education Mortgage Payable

In June 1993, the University entered into a mortgage agreement with the U.S. Department of Education as part of the Department's College Facilities Program to finance the renovation of three existing buildings. The project included the installation of handicapped accessible entrance ramps and elevators, the installation of energy efficient windows, the addition of a new roof, and the renovation of the gymnasium.

The outstanding obligation is collateralized by a lien on Blodgett Hall, and the furniture, furnishings and equipment therein, as well as a pledge of students' tuition. The agreement requires that a debt service reserve fund of $130,000 be maintained. This amount is included in Assets Held in Trust within the accompanying consolidated Statements of Financial Position.

(b) Town of Hempstead Industrial Development Agency

In February 1999, the Town of Hempstead Industrial Development Agency (the "Agency") issued the 1999 Bonds. The proceeds from the 1999 Bonds were used to modernize and refurbish residential and dining facilities; to renovate and modernize instructional and athletic facilities including the School of Management and Business, classrooms, laboratories, and studios; to replace infrastructure of roofing, electrical and plumbing, safety and security systems, paving, grounds improvement and campus lighting and signage; to expand information systems capabilities; and to refinance certain outstanding bonds previously issued by the Dormitory Authority of the State of New York.

In accordance with the terms of the bond agreement, the 1999 Bonds are not collateralized by any mortgage lien on or security interest in the facilities being renovated or in any other real or personal property of the University.

The University is required to make semi-annual payments to the Agency, equal in amount to the Agency's debt service payments. The Agency's debt service payments require eleven annual principal payments, which commenced February 1, 2004, and thirty semi-annual interest payments, which commenced August 1, 1999.

On the date of Issuance of the Bonds, the 1999 Bonds will no longer be considered outstanding.

(c) Town of Hempstead Industrial Development Agency

In May 2002, the Agency issued $16,000,000 of Civic Facility Revenue Bonds ("2002 Bonds"). The proceeds from the 2002 Bonds were issued to construct a 60,000 square feet three-story residence facility and to renovate an existing dormitory.

In accordance with the terms of the bond agreement, the 2002 Bonds are not collateralized by any mortgage lien on or security interest in the facilities being renovated or in any other real or personal property of the University.

The University is required to make semi-annual payments to the Agency, equal in amount to the Agency's debt service payments. The Agency's debt service payments require twenty-eight annual principal payments, which commenced June 30, 2005, and sixty semi-annual interest payments, which commenced December 1, 2002.

(d) Town of Hempstead Industrial Development Agency

In October 2005, the Agency issued $42,000,000 of Civic Facility Revenue Bonds ("2005 Bonds"), with maturities through 2035, at an average annual interest rate of 4.67%, plus a premium of $436,265. The proceeds from the 2005 Bonds were used to finance: (i) construction of the Centers for Sport and Performing Arts; (ii) construction of a Fine Arts and Facilities Building; (iii) installation of new underground water and electrical pipes and conduits; and (iv) various other renovation and equipment projects.

In accordance with the terms of the bond agreement, the 2005 Bonds are not collateralized by any mortgage lien on or security interest in the facilities being renovated or in any other real or personal property of the University.

The University is required to make semi-annual payments to the Agency, equal in amount to the Agency's debt service payments. The Agency's debt service payments require thirty annual principal payments which commenced October 1, 2006, and sixty semi-annual interest payments, which commenced April 1, 2006.

At August 31, 2008, future annual payments with respect to bonds payable, capital lease obligation and mortgage payable are as follows:

Year Ending August 31,	Bonds Payable	Capital Lease Obligation	Mortgage Payable	Total
2009	$5,580,007	$58,782	$129,283	$5,768,072
2010	5,571,085	58,782	129,283	5,759,150
2011	5,566,257	4,899	129,283	5,700,439
2012	5,560,483	-	129,283	5,689,766
2013	5,562,287	-	129,283	5,691,570
Thereafter	83,656,244	-	1,292,833	84,949,077
	111,496,363	122,463	1,939,248	113,558,074
Less Interest Portion	(47,031,363)	(4,457)	(630,300)	(47,666,120)
Add Premium	580,243	-	-	580,243
	$65,045,243	$118,006	$1,308,948	$66,472,197

Interest expense for the year ended August 31, 2008 amounted to $3.6 million.

Litigation

There is no litigation pending or threatened against the University which would have any material adverse consequences on the financial condition of the University.

TAX MATTERS

Federal Income Taxes

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met subsequent to the issuance and delivery of the 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 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the bonds. The Issuer and the University have covenanted in the Loan Agreement, the Indenture, and the Tax Compliance Agreement to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, the Issuer and the University have made certain representations and certifications in the Loan Agreement, the Indenture and the Tax Compliance Agreement. Bond Counsel will also rely on the opinion of Farrell Fritz, P.C., 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 will not independently verify the accuracy of those representations and certifications or that opinion.

In the opinion of Nixon Peabody LLP, New York, New York, Bond Counsel, under existing law and assuming compliance with the aforementioned covenants, and the accuracy of certain representations and certifications made be the Issuer and the University described above interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code with respect to individuals and corporations. Interest on the Series A Bonds is included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax imposed on such corporations; however, pursuant to the American Recovery and Reinvestment Act of 2009, interest on the Series B Bonds is excluded from the adjusted current earnings of corporations for purposes of the computation. Bond Counsel is also of the opinion that, by virtue of the Act, interest on the Bonds is exempt from personal income taxes of the State of New York and its political subdivisions.

Original Issue Discount. Bond Counsel is further of the opinion that the difference between the principal amount of the Series B Bonds maturing on February 1 in the years 2013, 2014, 2016, 2017, 2022, 2023, 2024, 2025, and 2029, inclusive (collectively the "Discount Bonds") and the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Discount Bonds of the same maturity was sold constitutes original issue discount which is excluded from gross income for federal income tax purposes to the same extent as interest on the Bonds. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each Discount Bond and the basis of each Discount Bond acquired at such initial offering price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. The accrual of original issue discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning the Discount Bonds, even though there will not be a corresponding cash payment. Owners of the Discount Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Discount Bonds.

Original Issue Premium. The Series A Bonds maturing on February 1 in the years 2011, 2012, 2013 and 2014, inclusive, and the Series B Bonds maturing on February 1 in the years 2012, 2015, 2018, 2019, 2020, 2021, 2034 and 2039, inclusive (collectively, the "Premium Bonds") are being offered at prices in excess of their principal amounts. An initial purchaser with an initial adjusted basis in a Premium Bond in excess of its principal amount will have amortizable bond premium which is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each Premium Bond based on the purchaser's yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, over the period to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation with an amortizable bond premium is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Bonds. Owners of the Premium Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Bonds.

Ancillary Tax Matters. Ownership of the 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 banks, thrift institutions and other financial institutions) who my be deemed to have incurred or continued indebtedness to purchase or carry the Bonds; for certain bonds issued during 2009 and 2010, the American Recovery and Reinvestment Act of 2009 modifies the application of those rules as they apply to financial institutions. Prospective investors are advised to consult their own tax advisors regarding these rules.

Commencing with interest paid in 2006, interest paid on tax-exempt obligations such as the 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 Bonds may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner's taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

Bond Counsel is not rendering any opinion as to any Federal tax matters other than those described in the opinions attached as Appendix C. Prospective investors, particularly those who may be subject to special rules described above, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the 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 Bonds for Federal or state income tax purposes, and thus on the value or marketability of the 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 Bonds from gross income for Federal or state income tax purposes, or otherwise. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the Federal or state income tax treatment of holders of the Bonds may occur. Prospective purchasers of the Bonds should consult their own tax advisers regarding such matters.

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

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds will be passed upon by Nixon Peabody LLP, New York, New York, Bond Counsel for the Issuer, which opinion will be substantially in the form attached hereto as Appendix C. Certain legal matters will be passed upon for the University by its counsel, Farrell Fritz P.C., Uniondale, New York, for the Issuer by its counsel, Ryan, Brennan & Donnelly LLP, Floral Park, New York and for the Underwriter by its counsel, Greenberg Traurig, LLP, Philadelphia, Pennsylvania.

ABSENCE OF LITIGATION

There is no litigation of any nature pending or threatened against the Issuer at the date of this Official Statement restraining or enjoining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the Issuer taken with respect to the issuance or sale thereof, or the pledge or application of any moneys or the security provided for the payment of the Bonds, or the existence or powers of the Issuer, or the use and operation of the 1999 Project or 2009 Project.

There is no action, suit, investigation or proceeding pending or, to the knowledge of the University, threatened against the University or any properties or rights of the University before any court, arbitrator or administrative or governmental body which in the opinion of management of the University might result in any material adverse change in the business, condition or operations of the University or which involves the possibility of materially adversely affecting the ability of the University to comply with the Loan Agreement.

RATINGS

Standard & Poor's has assigned the University the rating of "A". Any desired explanation of the significance of such ratings should be obtained from Standard & Poor's. There is no assurance that a particular rating will pertain for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of Standard & Poor's, circumstances so warrant. Any downward revision or withdrawal of any such rating could have an adverse effect on the market price of the Bonds. Neither the Underwriter, the Issuer, nor the University has undertaken any responsibility either to bring to the attention of the Owners of the Bonds any proposed change in or withdrawal of such ratings or to oppose any such revision or withdrawal.

UNDERWRITING

Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Underwriter") has agreed, subject to certain customary conditions precedent to closing, to purchase the Bonds at an aggregate underwriter's discount of $312,733.17 from the initial public offering prices set forth on the inside front cover of this Official Statement. The Underwriter will be obligated to purchase all such Bonds if any such Bonds are purchased. The Bonds may be offered and sold to certain dealers (including depositing the Bonds into investment trusts, which may be investment trusts sponsored by the Underwriter or such dealers) at prices lower than such public offering prices, and such public offering prices may be changed by the Underwriter from time to time following the initial offering without any requirement of public notice.

INDEPENDENT AUDITOR

The financial statements as of August 31, 2008 and 2007 and for the years then ended, included in this Official Statement, have been audited by Grant Thornton, LLP, independent certified public accountants, as stated in their report appearing herein.

VERIFICATION OF MATHEMATICAL ACCURACY

Causey Demgen & Moore Inc. will deliver a report, dated the date of issuance of the Bonds verifying the accuracy of (i) the mathematical computations of the adequacy of the maturing principal amounts of Government Securities purchased by the 1999 Trustee and the interest income to be realized thereon to pay the principal of, redemption premium and interest due on the 1999 Bonds on February 1, 2010; and (ii) the mathematical computations supporting the conclusion of Bond Counsel that the Series A Bonds are not "arbitrage bonds" under Sections 103 and 148 of the Code.

LEGALITY FOR INVESTMENT

The Bonds are securities in which all public officers and bodies of the State and all municipalities and municipal subdivisions, all insurance companies and associations and all other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks and savings associations, including savings and loan associations, building and loan associations, investment companies and other persons carrying on banking business, may properly and legally invest funds, including capital in their control or belonging to them.

CERTIFICATE WITH RESPECT TO OFFICIAL STATEMENT

At the time of the original delivery and payment for the Bonds, the University will deliver a certificate of its President to the effect that he has examined this Official Statement (including the Appendices) and the financial and other data concerning the University contained herein and that (i) the Official Statement, both as of its date and as of the date of delivery of the Bonds, does not, with respect to the University, contain any untrue statement of a material fact or omit any statement of a material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading and (ii) between the date of the Official Statement and the date of delivery of the Bonds, there has been no material change in the affairs (financial or other), financial condition or results of operations of the University except as set forth in or contemplated by the Official Statement.

SECONDARY MARKET DISCLOSURE

The University and the Trustee shall enter into an undertaking (the "Continuing Disclosure Agreement"), for the benefit of the holders of the Bonds, pursuant to the requirements of Securities and Exchange Commission Rule 15c2-12. A copy of the proposed form of Continuing Disclosure Agreement is contained in Appendix D.

ADDITIONAL INFORMATION

The references herein to the Indenture, the Loan Agreement, and other documents and the Act, the Code and other statutes are brief summaries of certain provisions thereof. Such summaries do not purport to be complete and reference is made to the full text of the originals for a full and complete statement of such provisions.

This Official Statement is not to be construed as a contract or an agreement between the University or the Issuer and the purchasers or holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as an opinion and not as representations of fact. The information and expressions of opinion herein are subject to change without notice and neither the delivery of the Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no material change in the affairs of the University since the date hereof.

The information contained in this Official Statement relating to the 1999 Project, the 2009 Project, the Estimated Uses of Funds and the University has been supplied by the University, and neither the Issuer nor the Underwriter makes any representation or warranty as to the accuracy or completeness of such information.

The distribution of this Official Statement to prospective purchasers of the Bonds by the Underwriter has been duly authorized by the Issuer and the University. This Official Statement is made available only in connection with the sale of the Bonds and may not be used in whole or in part for any other purpose.

Additional copies of this Official Statement may be obtained upon request from the Underwriter.

TOWN OF HEMPSTEAD LOCAL
DEVELOPMENT CORPORATION

By: ____________________________
Name: Frederick E. Parola
Title: Executive Director and Chief Executive Officer

ADELPHI UNIVERSITY

By: ____________________________
Name: Robert Allyn Scott
Title: President

By: ____________________________
Name: Timothy P. Burton
Title: Senior Vice President and Treasurer

Additional copies of this Official Statement may be obtained upon request from the Underwriter.

TOWN OF HEMPSTEAD LOCAL
DEVELOPMENT CORPORATION

By: ____________________________
Name: Frederick E. Parola
Title: Executive Director and Chief Executive Officer

ADELPHI UNIVERSITY

By: R. Allyn Scott
Name: Robert Allyn Scott
Title: President

By: T P Burton
Name: Timothy P. Burton
Title: Senior Vice President and Treasurer

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APPENDIX A

Audited Financial Statements of the University
for the Years Ended August 31, 2008 and 2007

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CONSOLIDATED FINANCIAL STATEMENTS TOGETHER WITH
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

ADELPHI UNIVERSITY

For the years ended August 31, 2008 and 2007

CONTENTS

Grant Thornton

Audit • Tax • Advisory
Grant Thornton LLP
445 Broad Hollow Road, Suite 300
Melville, NY 11747-3601

T 631.249.6001
F 631.249.6144
www.GrantThornton.com

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Trustees of
Adelphi University:

We have audited the accompanying consolidated statements of financial position of Adelphi University and subsidiary (collectively, the "University") as of August 31, 2008 and 2007, and the related consolidated statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audits 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 Adelphi University and subsidiary as of August 31, 2008 and 2007, and the changes in their net assets and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

Melville, New York
November 17, 2008

ADELPHI UNIVERSITY

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF AUGUST 31, 2008 AND 2007

	NOTES	2008	2007
ASSETS			
Cash and Short-Term Investments, at market value	3	$ 18,012,907	$ 42,263,283
Accounts Receivable, net	4	1,459,990	1,806,628
Grants Receivable		950,658	525,797
Loans Receivable	5	-	642,715
Prepaid Expenses and Other Assets		4,845,922	4,413,313
Contributions Receivable	1, 6	5,239,049	3,225,171
Notes Receivable, net	7	5,156,715	4,936,881
Investments, at market value	1, 8	115,845,780	139,468,291
Amounts Held in Trust	1, 9, 12	1,127,259	1,432,699
Land, Buildings and Equipment, net	1, 10	166,120,076	111,034,943
TOTAL ASSETS		$ 318,758,356	$ 309,749,721
LIABILITIES AND NET ASSETS			
LIABILITIES			
Accounts Payable and Accrued Expenses	1, 11	$ 22,065,308	$ 20,560,919
Deferred Revenues	1	28,727,894	28,439,652
Bank Line of Credit Payable	5	-	594,985
U.S. Government Grants Refundable		4,327,663	4,263,923
Long-Term Debt	12	66,472,197	68,959,999
Total Liabilities		121,593,062	122,819,478
COMMITMENTS AND CONTINGENCIES	16		
NET ASSETS			
Unrestricted Net Assets:	1		
Operations and Designated		1,534,970	1,543,959
Long-Term Investment		83,738,669	84,873,677
Plant		83,219,718	67,135,652
Total Unrestricted Net Assets		168,493,357	153,553,288
Temporarily Restricted Net Assets	1	13,243,739	19,682,477
Permanently Restricted Net Assets	1	15,428,198	13,694,478
Total Net Assets		197,165,294	186,930,243
TOTAL LIABILITIES AND NET ASSETS		$ 318,758,356	$ 309,749,721

The accompanying notes are an integral part of these consolidated financial statements.

ADELPHI UNIVERSITY

CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2008 (WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED AUGUST 31, 2007)

		2008									
		UNRESTRICTED									
		UNRESTRICTED OPERATIONS									
	NOTES	OPERATIONS	DESIGNATED	TOTAL	LONG-TERM INVESTMENT	PLANT	TOTAL	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL	2007 TOTAL (Details provided on next page)
REVENUES											
Tuition and Fees		$ 158,121,819	$ -	$ 158,121,819	$ -	$ -	$ 158,121,819	$ -	$ -	$ 158,121,819	$ 146,251,056
Less: Scholarships and Fellowships	1	(28,556,118)	-	(28,556,118)	-	-	(28,556,118)	-	-	(28,556,118)	(26,637,609)
Net Tuition and Fees		129,565,701	-	129,565,701	-	-	129,565,701	-	-	129,565,701	119,613,447
Contributions	1	14,786	-	14,786	-	816,160	830,946	3,293,583	1,711,201	5,835,730	6,183,763
Government Grants and Contracts	1	4,061,022	-	4,061,022	-	225,000	4,286,022	-	-	4,286,022	3,942,573
Investment Income (Loss)		1,802,800	-	1,802,800	(3,327,889)	4,155	(1,520,934)	(921,929)	2,818	(2,440,045)	16,907,696
Sales and Services of Educational Departments		500,828	-	500,828	-	-	500,828	-	-	500,828	677,234
Sales and Services of Auxiliary Enterprises		10,607,218	-	10,607,218	-	-	10,607,218	-	-	10,607,218	9,838,855
Other Sources		3,287,301	-	3,287,301	-	232,896	3,520,197	848,971	1,667	4,370,835	4,400,618
		149,839,656	-	149,839,656	(3,327,889)	1,278,211	147,789,978	3,220,625	1,715,686	152,726,289	161,484,168
Net Assets Released from Restrictions		2,160,587	-	2,160,587	-	7,482,320	9,642,907	(9,660,941)	18,034	-	-
TOTAL REVENUES		152,000,243	-	152,000,243	(3,327,889)	8,760,531	157,432,885	(6,440,316)	1,733,720	152,726,289	161,484,168
EXPENSES											
Instruction		69,749,347	-	69,749,347	-	3,787,459	73,536,806	-	-	73,536,806	68,170,041
Research and Public Service		3,417,088	55,910	3,472,998	-	152,748	3,625,746	-	-	3,625,746	3,522,326
Academic Support		13,062,774	-	13,062,774	-	886,451	13,949,225	-	-	13,949,225	13,396,149
Student Services		17,375,536	-	17,375,536	-	1,242,447	18,617,983	-	-	18,617,983	17,811,612
Institutional Support		23,937,152	-	23,937,152	-	715,960	24,653,112	-	-	24,653,112	23,738,615
Auxiliary Enterprises (primarily student)		5,217,571	-	5,217,571	-	2,890,795	8,108,366	-	-	8,108,366	8,415,906
TOTAL EXPENSES		132,759,468	55,910	132,815,378	-	9,675,860	142,491,238	-	-	142,491,238	135,054,647
CHANGE IN NET ASSETS, before transfers and amounts designated		19,240,775	(55,910)	19,184,865	(3,327,889)	(915,329)	14,941,647	(6,440,316)	1,733,720	10,235,051	26,429,521
TRANSFERS											
Mandatory Transfer for Debt Service		(5,739,815)	-	(5,739,815)	-	5,739,815	-	-	-	-	-
Matching and Other Contributions		(94,459)	-	(94,459)	92,881	-	(1,578)	1,578	-	-	-
Property, Plant and Equipment		(7,189,582)	-	(7,189,582)	-	7,189,582	-	-	-	-	-
CHANGE IN NET ASSETS, before amounts designated		6,216,921	(55,910)	6,161,011	(3,235,008)	12,014,066	14,940,069	(6,438,738)	1,733,720	10,235,051	26,429,521
AMOUNTS DESIGNATED											
Strategic Capital Initiatives		(4,070,000)	-	(4,070,000)	-	4,070,000	-	-	-	-	-
Faculty Research		(46,921)	46,921	-	-	-	-	-	-	-	-
Quasi-Endowment		(2,100,000)	-	(2,100,000)	2,100,000	-	-	-	-	-	-
TOTAL AMOUNTS DESIGNATED		(6,216,921)	46,921	(6,170,000)	2,100,000	4,070,000	-	-	-	-	-
CHANGE IN NET ASSETS		-	(8,989)	(8,989)	(1,135,008)	16,084,066	14,940,069	(6,438,738)	1,733,720	10,235,051	26,429,521
NET ASSETS, BEGINNING OF YEAR		-	1,543,959	1,543,959	84,873,677	67,135,652	153,553,288	19,682,477	13,694,478	186,930,243	160,979,546
Change in unrestricted net assets to apply the recognition provisions of SFAS No. 158	11	-	-	-	-	-	-	-	-	-	(478,824)
NET ASSETS, END OF YEAR		$ -	$ 1,534,970	$ 1,534,970	$ 83,738,669	$ 83,219,718	$ 168,493,357	$ 13,243,739	$ 15,428,198	$ 197,165,294	$ 186,930,243

The accompanying notes are an integral part of this consolidated financial statement.

ADELPHI UNIVERSITY

CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2007

	NOTES	UNRESTRICTED: UNRESTRICTED OPERATIONS: OPERATIONS	DESIGNATED	TOTAL	UNRESTRICTED: LONG-TERM INVESTMENT	PLANT	TOTAL	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
REVENUES										
Tuition and Fees		$ 146,251,856	$ -	$ 146,251,856	$ -	$ -	$ 146,251,856	$ -	$ -	$ 146,251,056
Less: Scholarships and Fellowships	1	(26,637,609)	-	(26,637,609)	-	-	(26,637,609)	-	-	(26,637,609)
Net Tuition and Fees		119,613,447	-	119,613,447	-	-	119,613,447	-	-	119,613,447
Contributions	1	-	-	-	1,184,375	194,469	1,378,844	2,975,240	1,749,679	6,103,763
Government Grants and Contracts	1	3,942,573	-	3,942,573	-	-	3,942,573	-	-	3,942,573
Investment Income		4,870,713	-	4,870,713	9,539,438	4,356	14,414,507	2,472,613	20,576	16,907,696
Sales and Services of Educational Departments		677,224	-	677,224	-	-	677,224	-	-	677,224
Sales and Services of Auxiliary Enterprises		9,838,855	-	9,838,855	-	-	9,838,855	-	-	9,838,855
Other Sources		3,985,653	-	3,985,653	-	179,155	4,164,808	233,674	2,128	4,400,610
		142,928,465	-	142,928,465	10,723,813	377,980	154,030,258	5,681,527	1,772,383	161,484,168
Net Assets Released from Restrictions		1,574,511	-	1,574,511	11,379	313,608	1,899,498	(1,906,957)	7,459	-
TOTAL REVENUES		144,502,976	-	144,502,976	10,735,192	691,588	155,929,756	3,774,570	1,779,842	161,484,168
EXPENSES										
Instruction		63,949,260	-	63,949,260	-	4,220,781	68,170,041	-	-	68,170,041
Research and Public Service		3,370,607	49,309	3,419,916	-	102,410	3,522,326	-	-	3,522,326
Academic Support		12,498,971	-	12,498,971	-	897,178	13,396,149	-	-	13,396,149
Student Services		16,450,171	-	16,450,171	-	1,361,441	17,811,612	-	-	17,811,612
Institutional Support		22,966,166	-	22,966,166	11,379	761,068	23,738,613	-	-	23,738,613
Auxiliary Enterprises (primarily student)		5,102,830	-	5,102,830	-	3,313,076	8,415,906	-	-	8,415,906
TOTAL EXPENSES		124,338,005	49,309	124,387,314	11,379	10,655,954	135,054,647	-	-	135,054,647
CHANGE IN NET ASSETS, before transfers and amounts designated		20,164,971	(49,309)	20,115,662	10,723,813	(9,964,366)	20,875,109	3,774,570	1,779,842	26,429,521
TRANSFERS										
Mandatory Transfer for Debt Service		(5,963,240)	-	(5,963,240)	-	5,963,240	-	-	-	-
Matching and Other Contributions		(72,369)	-	(72,369)	72,369	-	-	-	-	-
Property, Plant and Equipment		(5,874,438)	-	(5,874,438)	-	5,874,438	-	-	-	-
CHANGE IN NET ASSETS, before amounts designated		8,254,924	(49,309)	8,205,615	10,796,182	1,873,312	20,875,109	3,774,570	1,779,842	26,429,521
AMOUNTS DESIGNATED										
Strategic Capital Initiatives		(3,420,000)	(3,500,000)	(6,920,000)	-	6,920,000	-	-	-	-
Faculty Research		(1,056,100)	1,056,100	-	-	-	-	-	-	-
Quasi-Endowment		(2,300,000)	-	(2,300,000)	2,300,000	-	-	-	-	-
Debt Service		(1,000,000)	-	(1,000,000)	-	1,000,000	-	-	-	-
TOTAL AMOUNTS DESIGNATED		(7,776,100)	(2,443,900)	(10,220,000)	2,300,000	7,920,000	-	-	-	-
CHANGE IN NET ASSETS		478,824	(2,493,209)	(2,014,385)	13,096,182	9,793,312	20,875,109	3,774,570	1,779,842	26,429,521
NET ASSETS, BEGINNING OF YEAR		-	4,037,168	4,037,168	71,777,495	57,342,340	133,157,003	15,907,907	11,914,636	160,979,546
Change in unrestricted net assets to apply the recognition provisions of SFAS No. 158	11	(478,824)	-	(478,824)	-	-	(478,824)	-	-	(478,824)
NET ASSETS, END OF YEAR		$ -	$ 1,543,959	$ 1,543,959	$ 84,873,677	$ 67,135,652	$ 153,553,288	$ 19,682,477	$ 13,694,478	$ 186,930,243

The accompanying notes are an integral part of this consolidated financial statement.

ADELPHI UNIVERSITY

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31, 2008 AND 2007

	2008	2007
Cash Flows from Operating Activities:		
Change in Net Assets	$ 10,235,051	$ 26,429,521
Adjustments to Reconcile Change in Net Assets to Net Cash Flows		
Provided by Operating Activities:		
Nonoperating Items:		
Realized Gains on Investments	(7,234,274)	(4,986,420)
Contributions and Investment Income Restricted for Long-Term Investment	(2,473,213)	(3,023,198)
Noncash Items:		
Depreciation, Accretion, and Amortization	6,468,319	6,453,349
Amortization of Bond Premium	(39,084)	(39,084)
Net Unrealized Loss (Gain) on Investments	10,902,025	(6,780,544)
Loss on Disposals of Equipment	28,693	45,385
Cancellations of Notes Receivable	94,419	36,447
Change In Operating Assets and Liabilities:		
Decrease (Increase) in Accounts Receivable	346,638	(289,911)
(Increase) Decrease in Grants Receivable	(424,861)	59,177
Decrease (Increase) in Loans Receivable	642,715	(424,131)
(Increase) Decrease in Prepaid Expenses and Other Assets	(492,961)	3,242
Increase in Contributions Receivable	(2,013,878)	(970,266)
Decrease (Increase) in Amounts Held in Trust	173,895	(148,593)
Increase in Accounts Payable and Accrued Expenses	1,699,041	5,251,022
Increase in Deferred Revenues	288,242	3,822,228
Increase in U.S. Government Grants Refundable	63,740	140,080
Net Cash Flows Provided by Operating Activities	18,264,507	25,578,304
Cash Flows from Investing Activities:		
Proceeds from Sale of Investments	56,691,526	19,168,149
Purchase of Investments	(36,740,847)	(28,408,769)
Student Notes Receivable:		
New Loans Made	(853,629)	(1,225,154)
Principal Collected	539,375	851,797
Expenditures for Plant Facilities	(61,716,444)	(35,449,207)
Net Cash Flows Used in Investing Activities	(42,080,019)	(45,063,184)
Cash Flows from Financing Activities		
From Borrowings:		
Liquidations of Amounts Held in Trust	135,627	29,099,755
Proceeds from Bank Loans	17,401,232	27,258,796
Retirement of Debt:		
Bonds	(2,340,000)	(2,215,000)
Bank Line of Credit	(17,996,217)	(26,876,412)
Other Long-Term Debt	(108,719)	(358,085)
Proceeds from Contributions and Investment Earnings Restricted for:		
Investment in Endowment	932,424	1,778,499
Plant Improvements	1,539,406	1,243,432
Student Loan Funds	1,383	1,267
Net Cash Flows (Used in) Provided by Financing Activities	(434,864)	29,932,252
(Decrease) Increase in Cash and Short-Term Investments	(24,250,376)	10,447,372
Cash and Short-Term Investments:		
Beginning of Year	$ 42,263,283	$ 31,815,911
End of Year	$ 18,012,907	$ 42,263,283
Supplemental Disclosures:		
Interest Paid	$3,604,285	$4,038,998

The accompanying notes are an integral part of these consolidated financial statements.

1. Summary of Significant Accounting Policies

a. Nature of Operations

Adelphi University (the "University") is an independent not-for-profit institution of higher education with programs at the undergraduate and graduate levels. The University's main campus is located in Garden City, New York. The University is tax exempt under Section 501(c)(3) of the Internal Revenue Code.

Black Cat Advertising, a wholly-owned subsidiary of the University, began operations in 2004 and is consolidated in the accompanying financial statements. All intercompany transactions have been eliminated in the consolidation.

b. Basis of Presentation

The consolidated financial statements of the University have been prepared in accordance with accounting principles generally accepted in the United States of America using the accrual basis of accounting.

The University maintains its accounts in accordance with the principles and practices of "fund accounting." Fund accounting is the procedure by which resources are classified for accounting purposes in accordance with activities or objectives specified by donors, in accordance with regulations, restrictions, or limitations imposed by sources outside the institution, or in accordance with directions by the Board of Trustees (the "Board").

The University follows the provisions of Statement of Financial Accounting Standards ("SFAS") No. 117, "Financial Statements of Not-for-Profit Organizations." SFAS No. 117 specifies that financial statements provided by not-for-profit organizations include statements of financial position, activities, and cash flows and that net assets be classified as unrestricted, temporarily restricted or permanently restricted based on the existence or absence of donor-imposed restrictions. A description of the three net asset classifications is as follows:

Unrestricted net assets include the following:

Operations: Operations include the revenues and expenses associated with the principal educational mission of the University.

Amounts Designated For Instruction: The amounts designated to support certain instructional activities and related changes in personnel included in unrestricted net assets at August 31, 2008 and 2007 totaled $1,534,970 and $1,543,959, respectively.

Long-Term Investment: Long-term investment includes Board designations to funds functioning as endowment, cumulative realized gains on endowment funds, and the University's required matching contribution on government student loan funds.

Plant: Plant net assets include: (i) transfers from operations designated by the University to fund future capital projects and debt service payments; (ii) amounts held in trust for payment of outstanding long-term debt; and (iii) amounts invested in land, buildings and equipment net of accumulated depreciation. Contributions restricted for the acquisition of land, buildings and equipment are reported as temporarily restricted revenues. These contributions are reclassified to unrestricted net assets upon acquisition of the assets. In the accompanying consolidated Statements of Activities, expenses represent primarily interest on debt service and depreciation.

Temporarily restricted net assets generally result from contributions whose use by the University is limited by donor-imposed stipulations that can be fulfilled by actions of the University pursuant to those stipulations and/or that expire by the passage of time. When donor restrictions expire, that is, when a restriction is fulfilled or a time restriction ends, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying consolidated Statements of Activities as net assets released from restrictions. When a temporarily restricted contribution is received and the restriction is fulfilled in the same period, the corresponding revenue is recorded as unrestricted in the accompanying consolidated Statements of Activities.

Permanently restricted net assets generally represent the historical cost of contributions whose use is limited by donor-imposed stipulations requiring that the original principal be maintained permanently by the University. Generally the donors of these assets permit the University to use all or part of the investment return on these assets for specific purposes or general University operations. Such assets primarily include the University's permanent endowment funds.

c. **Investments**

Investment securities are recorded at market value. Net unrealized and realized gains or losses are reflected in the accompanying consolidated Statements of Activities. Investments received as gifts are recorded at fair market value as of the date received.

The University follows the provisions of SFAS No. 124, "Accounting for Certain Investments Held by Not-for-Profit Organizations." SFAS No. 124 specifies that investments in equity securities with readily determinable fair values and all investments in debt securities shall be measured at fair value in the accompanying consolidated Statements of Financial Position and also provides for certain disclosures relating to investments.

The estimated fair value of investments is based on quoted market prices, except for certain alternative investments for which quoted market prices are not available. The estimated fair value of these investments is based on valuations provided by external investment managers as of August 31, 2008 and 2007. Because the alternative investments are not readily marketable, their estimated value is subject to uncertainty and therefore may differ from the value that would have been used had a ready market for such investments existed. Such a difference could be material. The accompanying consolidated Statements of Activities recognize unrealized gains and losses on investments as increases and decreases, respectively, in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulation.

d. **Deferred Revenues**

Deferred revenues primarily represent payments received from students relating to registrations for the following fall semester. Such amounts are recognized as revenue during the subsequent fiscal year.

e. **Accounts Payable**

Amounts held for agency funds aggregating to $996,266 and $1,170,161 at August 31, 2008 and 2007, respectively, are included in accounts payable and accrued expenses within the accompanying consolidated Statements of Financial Position.

f. **Land, Buildings and Equipment**

Land, buildings and equipment are based on the following valuations:

- Land and improvements - at appraised value in 1958, plus subsequent improvements at cost.
- Buildings - at approximate fair value in accordance with a survey by the Home Insurance Company made in February 1967, plus a six percent estimate for excavations, foundations and underground facilities; additions subsequent to February 1967 are recorded at cost.
- Equipment and Library Books - recorded at cost.

Donated assets are stated at fair market value as of the date of the gift.

Depreciation on land, buildings and equipment has been computed on the straight-line basis over the estimated useful lives of the assets as follows:

Buildings and additions	75 years
Building improvements and renovations	15 years
Furniture and equipment	5-10 years
Library books	20 years

Depreciation and accretion expense of assets, including assets under capital leases, for the years ended August 31, 2008 and 2007 amounted to $6,407,967 and $6,392,997, respectively. Upon retirement or disposal, the asset cost and related accumulated depreciation and amortization are eliminated from the respective accounts and the resulting gain or loss, if any, is included in the accompanying consolidated Statements of Activities.

g. **Amounts Held in Trust**

Amounts held in trust are for the sole benefit of the University. These funds are neither in the possession, nor under the control, of the University. The University receives the income earned from the assets held in trust and has a residual interest in the assets of such funds. Amounts held in trust are recorded at market value.

h. **Fair Value of Financial Instruments**

SFAS No. 107, "Disclosures about Fair Value of Financial Instruments," requires disclosure of the fair value of certain financial instruments including both assets and liabilities recognized in the accompanying consolidated Statements of Financial Position. The University has determined fair value amounts using available market information and appropriate valuation methodologies.

A reasonable estimate of the fair value of notes receivable from students under government loan programs cannot be made because the notes receivable are not saleable and can only be assigned to the U.S. Government or its designees.

The fair value of investments, which is based primarily upon quoted market prices, is disclosed in Note 8. The fair value of long-term debt approximates the carrying value since the interest rates charged, as disclosed in Note 12, approximate the University's current borrowing rate for similar instruments. For all other financial instruments, the carrying amounts as disclosed in the accompanying consolidated financial statements approximate fair value.

The University does not have a material concentration of credit risk.

i. **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the allowance for accounts receivable, useful lives of plant assets and certain accrued liabilities. Actual results could differ from those estimates.

j. **Contributions and Government Grants and Contracts**

The University follows the provisions of SFAS No. 116, "Accounting for Contributions Received and Contributions Made," which requires "unconditional promises to give" to be recorded when granted.

Contributions, including unconditional promises to give, are reported as revenue in the period received. Contributions are recorded at fair value, net of estimated uncollectible amounts. Conditional contributions are recognized as revenue when the conditions on which they depend have been substantially met.

Revenues from government grants and contracts for specific programs are recognized in the period when expenditures have been incurred in compliance with the respective contract. Contracts awarded for the acquisition of long-lived assets are reported as unrestricted revenue during the fiscal year in which the assets are acquired. Governmental grants and contracts are subject to audit and potential disallowance. It is management's opinion that any potential disallowances will not have a material effect on the accompanying consolidated financial statements.

k. **Tuition Discounting**

The University maintains a policy of offering qualified applicants admission to the University without regard to financial circumstances. The University provides institutional financial aid to those admitted on the basis of merit or need in the form of direct grants or employment during the academic year. Tuition and fees have been reduced by institutional grants in the amount of $28,556,118 and $26,637,609 for the years ended August 31, 2008 and 2007, respectively.

l. **Temporarily Restricted and Permanently Restricted Net Assets**

Temporarily restricted net assets were available for the following purposes:

	2008	2007
Education and General	$ 2,592,405	$ 2,273,624
Endowment Cumulative Gain on Donor Restricted Net Assets	6,064,303	7,719,624
Annuity Trust Agreements	610,410	690,537
Building Renovations	3,976,621	8,998,692
	$13,243,739	$19,682,477

Permanently restricted net assets consisted of the following:

Endowment - Corpus; investment earnings primarily support scholarship programs	$15,337,011	$13,604,674
Loan Fund	91,187	89,804
	$15,428,198	$13,694,478

m. **Reclassifications**

Certain prior year amounts have been reclassified to conform with the current year's presentation.

n. **Conditional Asset Retirement Obligations**

The University recognizes the cost associated with the eventual remediation and abatement of asbestos located within its facilities. The cost of the abatement was estimated using historical construction and renovation documents.

The University recognized accretion expense relating to these obligations of $97,253 and $111,372 for the years ended August 31, 2008 and 2007, respectively. These obligations were reduced by remediation costs of $345,530 and $50,932 for the years ended August 31, 2008 and 2007, respectively.

o. **New Accounting Pronouncements**

On September 1, 2007, the University adopted the provisions of Financial Accounting Standards Board ("FASB") Interpretation No. 48 ("FIN 48"), "Accounting for Uncertainty in Income Taxes." FIN 48 requires that a tax position be recognized or derecognized based on a "more likely than not" threshold. This applies to positions taken or expected to be taken in a tax return. During 2008, the University evaluated its tax positions and concluded that it does not have any uncertain tax positions that meet the criteria under FIN 48. Accordingly, implementation of FIN 48 did not have any impact on the University's accompanying financial statements.

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurement." This new standard provides guidance for using fair value to measure assets and liabilities. SFAS No. 157 applies whenever other standards require (or permit) assets or liabilities to be measured at fair value but does not expand the use of fair value in any new circumstances. The standard clarifies that for items that are not actively traded, such as certain kinds of derivatives, fair value should reflect the price in a transaction with a market participant, including an adjustment for risk, not just the organization's mark-to-market value. SFAS No. 157 also requires expanded disclosure of the effect on earnings for items measured using unobservable data.

Under SFAS No. 157, fair value refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability. In this standard, the FASB clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the asset or liability. SFAS No. 157 is effective for fiscal years beginning after November 15, 2007. Earlier application is encouraged, provided that the reporting entity has not yet issued financial statements for that fiscal year, including any financial statements for an interim period within that fiscal year. The University intends to adopt SFAS No. 157 as it applies to its fiscal year ending August 31, 2009.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities - Including an Amendment of FASB Statement 115." SFAS No. 159 permits entities to choose to measure certain financial instruments and other items at fair value. The objective is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. SFAS No. 159 is effective for fiscal years beginning after November 15, 2007. The University intends to adopt SFAS No. 159 as it applies to its fiscal year ending August 31, 2009.

2. Endowment and Other Unrestricted Funds

The following summarizes the University's endowment (including unrestricted, temporarily restricted and permanently restricted net assets) and other unrestricted funds, which are invested to support the University's future operations and capital needs:

	2008	2007
University Endowment		
Endowment and Similar Funds - Donor Restricted	$ 23,398,183	$ 23,469,543
Quasi-Endowment - Unrestricted	81,439,267	82,598,906
Total University Endowment	104,837,450	106,068,449
Other Unrestricted Funds		
Designated for Future Instructional and Strategic Initiatives	1,534,970	1,543,959
Designated (Used) for Capital and Financing Needs	(15,979,033)	25,783,349
Total Other Unrestricted Funds	(14,444,063)	27,327,308
Total University Endowment and Other Unrestricted Funds	$ 90,393,387	$133,395,757

Realized gains on endowment funds, whose income is unrestricted as to use, are reported as unrestricted net assets unless the realized gains have been permanently restricted by a donor or by law. Accordingly, in those cases where a donor has placed restrictions on the use of endowment income, cumulative realized gains have been classified as temporarily restricted net assets. For the years ended August 31, 2008 and 2007, cumulative gains of $1,386,459 and $1,454,709, respectively, have been included in unrestricted long-term investment and cumulative gains of $6,064,303 and $7,719,624, respectively, have been included in temporarily restricted net assets.

3. Cash and Short-Term Investments

Cash and short-term investments include cash and cash equivalents with an original maturity of three months or less at the time of purchase, and other short-term investments. The market value of cash and short-term investments consisted of the following:

	2008	2007
Cash and Cash Equivalents	$14,890,178	$22,584,616
Commonfund Short-Term Fund	3,095,684	10,857,406
Certificates of Deposit	27,045	94,825
PIMCO Low Duration Fund	-	8,726,436
Totals	$18,012,907	$42,263,283

The Commonfund consists of mutual funds available to colleges, universities and other nonprofit entities. Investment income on cash and short-term investments, included in unrestricted net assets, amounted to $1,428,336 and $2,129,562 for the years ended August 31, 2008 and 2007, respectively.

Effective September 29, 2008, Wachovia Bank, N.A., as Trustee of the Commonfund for Short Term Investments (the "Short Term Fund"), announced its decision to terminate and liquidate the Short Term Fund. No additional contributions to the Short Term Fund will be accepted. Under the liquidation plan, investors in the Short Term Fund will be allowed to withdraw balances based on their proportional interest in the Short Term Fund as assets mature or are sold.

The University's balance in the Short Term Fund as of August 31, 2008 was $6,852,182 ($3,095,684 is included above and $3,756,498 is included within investments, see Note 8). As of November 17, 2008, approximately 56% of Short Term Fund assets were available for withdrawal, resulting in approximately $3,002,649 of the University's funds as being unavailable as of that date. The University will be able to access additional amounts as the Short Term Fund liquidates its holdings. The value of the liquidation proceeds received by the University is not expected to vary significantly from the fair value carried on the University's books based on the current net assets value of the Short Term Fund. However, the realization of the value will depend upon market conditions including the liquidity of the Short Term Fund's assets during the liquidation period.

4. Accounts Receivable

Accounts receivable are recorded net of the allowance for doubtful accounts of $800,000 and $755,000 at August 31, 2008 and 2007, respectively. Accounts receivable are expected to be collected within one year.

5. School as Lender Program

As of May 28, 2008, the University has completed its final year as a participant in the School as Lender Program for graduate and professional degree student loans under the U.S. Department of Education Federal Family Education Loan Program.

a. Loans Receivable

There were no outstanding loans receivable related to the School as Lender Program at August 31, 2008. Outstanding loans receivable related to the School as Lender Program were $642,715 at August 31, 2007. The University distributed $17,712,653 and $27,935,434 in loans to students during the years ended August 31, 2008 and 2007, respectively. All loans associated with this program were sold to a third party within one year.

b. Bank Line of Credit Payable

To facilitate the distribution of the loans under the School as Lender Program, the University obtained a short-term, $29,000,000, line of credit from a bank collateralized by the loans receivable. The University owed $594,985 on this line of credit at August 31, 2007. There were no amounts outstanding at August 31, 2008.

6. Contributions Receivable

Contributions receivable consisted of the following:

	2008	2007
Amounts expected to be collected:		
Within 1 year	$ 791,789	$ 609,878
1 to 5 years	3,484,482	1,906,297
Thereafter	966,833	363,500
Less: discount to present value	(675,614)	(354,852)
	4,567,490	2,524,823
Charitable Remainder Trusts	671,559	700,348
	$5,239,049	$3,225,171

The University is a beneficiary of irrevocable charitable remainder trusts held by others. At the dates these charitable remainder trusts are either established or the University becomes aware of their existence, contribution revenue and receivables are recognized at the present value of the estimated future benefits to be received when the trust assets are distributed, at discount rates ranging from approximately 4% to 5%. The receivable is adjusted during the term of the trusts for changes in the value of assets, accretion of the discount, and other changes in the estimates of future benefits. (Loss) income from Charitable Remainder Trusts for the years ended August 31, 2008 and 2007 amounted to ($26,706) and $11,222, respectively, and is included in investment income in the accompanying consolidated Statements of Activities.

7. Notes Receivable

Notes receivable consisted of student loans receivable, which are primarily federally sponsored student loans with interest rates and repayment terms mandated by the U.S. government. Notes receivable are recorded net of an allowance for doubtful loans of $173,000 at August 31, 2008 and 2007.

8. Investments

Investments are recorded at market value. The University has pooled certain funds for investment from the unrestricted, endowment and plant funds and allocated the funds among investment securities. The investments and the related income are pooled on a market value basis with each fund subscribing to or disposing of units on the basis of the market value per unit, which is determined monthly.

The following summarizes the composition of investments:

	2008			
	Pooled Investments Endowment	Non-Pooled Investments Unrestricted	Non-Pooled Investments Endowment	Total
Cost				
Equity Investments	$ 55,394,794	$ -	$103,523	$ 55,498,317
Alternative Investments	12,615,975	-	-	12,615,975
Multi-Strategy Bond Fund	25,574,107	9,627,692	-	35,201,799
Balanced Mutual Funds	-	3,113,923	-	3,113,923
Commonfund Short-Term Fund	3,756,498	-	-	3,756,498
Real Estate	-	-	220,000	220,000
	$ 97,341,374	$12,741,615	$323,523	$110,406,512
Market				
Equity Investments	$ 57,066,849	$ -	$ 98,872	$ 57,165,721
Alternative Investments	13,975,280	-	-	13,975,280
Multi-Strategy Bond Fund	27,830,574	9,850,273	-	37,680,847
Balanced Mutual Funds	-	3,047,434	-	3,047,434
Commonfund Short-Term Fund	3,756,498	-	-	3,756,498
Real Estate	-	-	220,000	220,000
	$102,629,201	$12,897,707	$318,872	$115,845,780

	2007			
	Pooled Investments Endowment	Non-Pooled Investments Unrestricted	Non-Pooled Investments Endowment	Total
Cost				
Equity Investments	$ 46,341,388	$ -	$ -	$ 46,341,388
Alternative Investments	13,605,068	-	-	13,605,068
Multi-Strategy Bond Fund	22,987,897	23,092,304	-	46,080,201
Balanced Mutual Funds	-	10,279,022	-	10,279,022
Commonfund Short-Term Fund	3,028,054	-	-	3,028,054
Real Estate	-	-	275,000	275,000
	$ 85,962,407	$33,371,326	$275,000	$119,608,733
Market				
Equity Investments	$ 60,896,890	$ -	$ -	$ 60,896,890
Alternative Investments	14,465,619	-	-	14,465,619
Multi-Strategy Bond Fund	25,466,302	23,831,415	-	49,297,717
Balanced Mutual Funds	-	11,505,011	-	11,505,011
Commonfund Short-Term Fund	3,028,054	-	-	3,028,054
Real Estate	-	-	275,000	275,000
	$103,856,865	$35,336,426	$275,000	$139,468,291

At August 31, 2008 and 2007, the allocation of total cost and market value of the investments pooled was as follows:

Net Asset Classification	2008 Cost	2008 Market	2007 Cost	2007 Market
Permanently and Temporarily Restricted Endowment	$20,250,167	$ 21,350,207	$18,303,330	$ 22,113,463
Unrestricted - Long-Term Investment	77,091,207	81,278,994	67,659,077	81,743,402
Total	$97,341,374	$102,629,201	$85,962,407	$103,856,865

The alternative investments are comprised of Funds of Funds and a Multi-Strategy Commodity Fund, which represent 79% and 21%, respectively, at August 31, 2008 and 74% and 26%, respectively, at August 31, 2007, of the total alternative investments.

The following summarizes the return on investments, exclusive of earnings on amounts held in trust and cash and short-term investments, and its classification in the accompanying consolidated Statements of Activities:

	2008			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Interest and Dividends (Net of Expenses)	$ 2,907,954	$ 486,281	$ 5,219	$ 3,399,454
Net Realized and Unrealized Gains	(5,903,611)	(1,324,697)	(16,975)	(7,245,283)
Total Return on Investments	$(2,995,657)	$ (838,416)	$(11,756)	$(3,845,829)

	2007			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Interest and Dividends (Net of Expenses)	$ 3,213,855	$ 442,039	$ 2,939	$ 3,658,833
Net Realized and Unrealized Gains	9,066,733	1,974,347	17,637	11,058,717
Total Return on Investments	$12,280,588	$2,416,386	$20,576	$14,717,550

The University has an endowment spending policy authorizing annual distributions not to exceed 5% of the five-year moving average market value to supplement current operations. Annual distributions were $860,000 and $730,000 for the years ended August 31, 2008 and 2007, respectively. The amounts distributed may include interest, dividends and a portion of accumulated investment gains.

Interest and dividends are net of investment manager fees of $216,548 and $204,477 for the years ended August 31, 2008 and 2007, respectively. These fees exclude manager fees for approximately 53% and 43% of the investment portfolio for the years ended August 31, 2008 and 2007, respectively, as those fees are netted with the investment return reported by the manager.

As of October 31, 2008, the University's management estimated that the fair value of its investments declined by approximately 18% (unaudited) as a result of market conditions.

9. Amounts Held in Trust

Amounts held in trust consisted of the following:

	2008	2007
Cash held by Trustee for Town of Hempstead Industrial Development Agency, Civic Facility Revenue Bonds (Note 12)	$ 84	$ 131,056
Cash held as reserves for U.S. Department of Education Mortgage Payable (Note 12)	130,909	131,482
Amounts held for Agency Funds	996,266	1,170,161
	$1,127,259	$1,432,699

Investment income on Amounts Held in Trust amounts to $4,155 and $4,356 for the years ended August 31, 2008 and 2007, respectively.

10. Land, Buildings and Equipment

Investment in land, buildings and equipment consisted of the following:

	2008	2007
Land and Improvements	$ 2,158,865	$ 2,158,865
Buildings and Improvements	209,927,898	112,829,453
Construction in Progress	3,358,623	41,664,609
University-Owned Homes	1,831,785	1,831,785
Software	2,003,584	1,963,482
Equipment and Library Books	31,237,552	29,562,718
	250,518,307	190,010,912
Accumulated Depreciation	(84,398,231)	(78,975,969)
	$166,120,076	$111,034,943

Equipment includes assets recorded under a capital lease of $106,067 and $159,101, which is net of accumulated depreciation of $212,136 and $159,102, at August 31, 2008 and 2007, respectively.

Investment in land, buildings and equipment includes capitalized interest of $2,350,000 and $900,571 at August 31, 2008 and 2007, respectively.

The University has entered into various contracts for the construction of buildings with outstanding commitments of approximately $21 million and $49 million at August 31, 2008 and 2007, respectively. These amounts are not included in expenses or liabilities in the accompanying consolidated financial statements.

The total estimated market value of the University-owned homes is $4,675,000 based upon appraisals performed in May and November 2007.

11. Postretirement and Postemployment Benefits

a. Postretirement Benefits

The University sponsors a postretirement benefit plan covering medical costs for retirees. Participants may select their coverage, and the University typically pays 75% of the premiums. Certain participants are not required to pay any portion of the premium. Spouses of participants are covered at the participants' expense.

In September 2006, the FASB issued SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans." This statement revises the reporting and disclosure requirements for pension and other postretirement plans. SFAS No. 158 requires the University to recognize the funded status of its Postretirement Plan in its consolidated Statements of Financial Position in accounts payable and accrued expenses. The University adopted the recognition provisions of SFAS No. 158 in fiscal 2007 and recognized the funded status of the Postretirement Plan in its 2007 consolidated Statement of Financial Position. The following table details the incremental effect of applying the recognition provisions of SFAS No. 158 for the Postretirement Plan:

	Before Application of SFAS No. 158	SFAS No. 158 Adjustments	After Application of SFAS No. 158
Accrued benefit liability	$ 566,571	$478,824	$ 1,045,395
Unrestricted net assets	$154,032,112	$478,824	$153,553,288

The status of the plan at August 31, 2008 and 2007 was as follows:

	2008	2007
Change in Accumulated Postretirement Benefit Obligation		
Benefit obligation at September 1	$1,045,395	$ 2,255,445
Interest cost	53,885	57,324
Plan participants' contributions	65,427	72,207
Benefit payments	(108,938)	(286,042)
Net gain	-	(1,053,539)
Benefit obligation at August 31	$1,055,769	$ 1,045,395

	2008	2007
Change in Plan Assets		
Fair value of plan assets at September 1	$ -	$ -
University contributions	108,938	286,042
Benefit payments	(108,938)	(286,042)
Fair value of plan assets at August 31	$ -	$ -
Funded Status of the Plan		
Benefit obligation less plan assets	$(1,055,769)	$(1,045,395)
Unamortized transition obligation	-	-
Unamortized net losses	-	-
Net accrued benefit liability	$(1,055,769)	$(1,045,395)
Total Recognized Amounts in the Consolidated Statements of Financial Position		
Accrued benefit liability	$(1,055,769)	$(1,045,395)
Net amount recognized	$(1,055,769)	$(1,045,395)
Costs Recognized in the Consolidated Statements of Activities		
Interest cost	$ 53,885	$ 57,324
Amortization of net loss	-	46,557
Net postretirement expense	$ 53,885	$ 103,881
Assumptions as of August 31		
Discount rate	5.50%	5.50%
Expected return on assets (for year shown)	N/A	N/A
Average rate of increase in compensation	N/A	N/A

	Postretirement Benefit Plan	
	2008	2007
Amounts recognized in the consolidated Statements of Financial Position consists of:		
Accrued benefit liability	$(1,055,769)	$(1,045,395)
Amounts recognized in unrestricted net assets consist of:		
Transition obligation	$ -	$268,498
Net loss	-	210,326
Total amount recognized	$ -	$478,824
Amounts recognized in net periodic benefit costs:		
Amortization of net loss	$ -	$12,460
Amortization of transition obligation	-	33,562
Total amount recognized	$ -	$46,022

For measurement purposes, a 10% annual rate of increase in the per capita cost of covered health care benefits was assumed for fiscal 2008. The rate was assumed to decrease by 1% per year until 2014 and remain at 4% thereafter.

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage-point change in assumed health care cost trend rates would have the following effects:

	1-Percentage-Point Increase	1-Percentage-Point Decrease
Effect on total of service and interest cost	$ 4,000	$ (3,600)
Effect on postretirement benefit obligation	66,300	(59,700)

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

Year Ending August 31,	Benefit Payments
2009	$120,776
2010	112,538
2011	109,941
2012	105,791
2013-2017	434,258

b. Postemployment Benefits

The University follows the provisions of SFAS No. 112, "Employers' Accounting for Postemployment Benefits." The University provides various benefits on a discretionary case-by-case basis, which primarily includes salary and medical benefit continuations and unemployment insurance, and accrues the cost when known. The University has estimated postemployment benefits at approximately $707,000 and $510,000 at August 31, 2008 and 2007, respectively. These amounts are included in accounts payable and accrued expenses within the accompanying consolidated Statements of Financial Position.

12. Long-Term Debt

Long-term debt consisted of the following:

		2008	2007
U.S. Department of Education Mortgage Payable, original amount $1,889,000 with maturities through 2023, with interest at an average annual rate of 5.5%.	(a)	$ 1,308,948	$ 1,363,959
Town of Hempstead Industrial Development Agency, Civic Facility Revenue Bonds, original amount $15,000,000 with maturities through 2014, with interest at an average annual rate of 4.86%, plus unamortized premiums of $117,503 in 2008 and $139,195 in 2007.	(b)	9,187,503	10,489,195
Town of Hempstead Industrial Development Agency, Civic Facility Revenue Bonds, original amount $16,000,000 with maturities through 2032, with interest at an average annual rate of 5.36%, plus unamortized premiums of $67,677 in 2008 and $70,527 in 2007.	(c)	14,907,677	15,215,527
Town of Hempstead Industrial Development Agency, Civic Facility Revenue Bonds, original amount $42,000,000 with maturities through 2035, with interest at an average annual rate of 4.67%, plus unamortized premiums of $395,063 in 2008 and $409,605 in 2007.	(d)	40,950,063	41,719,605
Capital Lease Obligation, original amount $2,081,648 with maturities through 2011, with interest at an average annual rate of 4.05%.		118,006	171,713
		$66,472,197	$68,959,999

Interest expense for the years ended August 31, 2008 and 2007 amounted to $3,583,718 and $4,021,489, respectively.

a. U. S. Department of Education Mortgage Payable

In June 1993, the University entered into a mortgage agreement with the U.S. Department of Education as part of the Department's College Facilities Program to finance the renovation of three existing buildings. The project included the installation of handicapped accessible entrance ramps and elevators, the installation of energy efficient windows, the addition of a new roof, and the renovation of the gymnasium.

The outstanding obligation is collateralized by a lien on Blodgett Hall, and the furniture, furnishings and equipment therein, as well as a pledge of students' tuition. The agreement requires that a debt service reserve fund of $130,000 be maintained. This amount is included in assets held in trust within the accompanying consolidated Statements of Financial Position.

b. **Town of Hempstead Industrial Development Agency**

In February 1999, the Town of Hempstead Industrial Development Agency (the "Agency") issued $15,000,000 of Civic Facility Revenue Bonds ("1999 Bonds"). The proceeds from the 1999 Bonds were used to modernize and refurbish residential and dining facilities; to renovate and modernize instructional and athletic facilities including the School of Management and Business, classrooms, laboratories, and studios; to replace infrastructure of roofing, electrical and plumbing, safety and security systems, paving, grounds improvement and campus lighting and signage; to expand information systems capabilities; and to refinance certain outstanding bonds previously issued by the Dormitory Authority of the State of New York.

In accordance with the terms of the bond agreement, the 1999 Bonds are not collateralized by any mortgage lien on or security interest in the facilities being renovated or in any other real or personal property of the University.

The University is required to make semi-annual payments to the Agency, equal in amount to the Agency's debt service payments. The Agency's debt service payments require eleven annual principal payments, which commenced February 1, 2004, and thirty semi-annual interest payments, which commenced August 1, 1999.

c. **Town of Hempstead Industrial Development Agency**

In May 2002, the Agency issued $16,000,000 of Civic Facility Revenue Bonds ("2002 Bonds"). The proceeds from the 2002 Bonds were issued to construct a 60,000 square feet three-story residence facility and to renovate an existing dormitory.

In accordance with the terms of the bond agreement, the 2002 Bonds are not collateralized by any mortgage lien on or security interest in the facilities being renovated or in any other real or personal property of the University.

The University is required to make semi-annual payments to the Agency, equal in amount to the Agency's debt service payments. The Agency's debt service payments require twenty-eight annual principal payments, which commenced June 30, 2005, and sixty semi-annual interest payments, which commenced December 1, 2002.

d. **Town of Hempstead Industrial Development Agency**

In October 2005, the Agency issued $42,000,000 of Civic Facility Revenue Bonds ("2005 Bonds"), with maturities through 2035, at an average annual interest rate of 4.67%, plus a premium of $436,265. The proceeds from the 2005 Bonds were used to finance: (i) construction of the Centers for Sports and Performing Arts; (ii) construction of a Fine Arts and Facilities Building; (iii) installation of new underground water and electrical pipes and conduits; and (iv) various other renovation and equipment projects.

In accordance with the terms of the bond agreement, the 2005 Bonds are not collateralized by any mortgage lien on or security interest in the facilities being renovated or in any other real or personal property of the University.

The University is required to make semi-annual payments to the Agency, equal in amount to the Agency's debt service payments. The Agency's debt service payments require thirty annual principal payments, which commenced October 1, 2006, and sixty semi-annual interest payments, which commenced April 1, 2006.

e. **Letter of Credit**

The University currently maintains one standby letter of credit in favor of the Incorporated Village of Garden City totaling approximately $628,000.

Year Ending August 31,	Bonds Payable	Capital Lease Obligation	Mortgage Payable	Total
2009	$ 5,580,007	$ 58,782	$ 129,283	$ 5,768,072
2010	5,571,085	58,782	129,283	5,759,150
2011	5,566,257	4,899	129,283	5,700,439
2012	5,560,483	-	129,283	5,689,766
2013	5,562,287	-	129,283	5,691,570
Thereafter	83,656,244	-	1,292,833	84,949,077
	111,496,363	122,463	1,939,248	113,558,074
Less: Interest Portion	(47,031,363)	(4,457)	(630,300)	(47,666,120)
Add: Premium	580,243	-	-	580,243
	$ 65,045,243	$118,006	$1,308,948	$66,472,197

13. Retirement Plans

The University has contributory defined contribution retirement plans, which cover substantially all full-time employees. It is the University's policy to fund pension costs accrued. The University's contributions are determined in accordance with the related provisions of the union contracts and at the discretion of management for all non-union employees. Total pension costs under the plans for the years ended August 31, 2008 and 2007 amounted to $4,739,007 and $4,472,537, respectively.

The University also participates in a union multi-employer defined benefit plan, which covers all clerical employees. Contributions under this plan, which were funded by salary reductions, amounted to $157,060 and $165,680 for the years ended August 31, 2008 and 2007, respectively.

14. New York State Aid

The University received institutional support for the years ended August 31, 2008 and 2007 in the amount of $971,391 and $853,293, respectively, under Article 129 of the New York State Education Law.

15. Allocation of Certain Expenses

The University allocates operation and maintenance of plant, depreciation and amortization, 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 years ended August 31, 2008 and 2007, the following allocation of expenses was included in the accompanying consolidated Statements of Activities:

	2008			
	Operation and Maintenance of Plant	Depreciation and Amortization	Interest Expense	Total
Instruction	$ 9,738,380	$2,209,077	$ 333,830	$12,281,287
Research and Public Service	416,232	79,701	-	495,933
Academic Support	1,536,079	725,141	33,217	2,294,437
Student Services	2,000,851	738,253	223,209	2,962,313
Institutional Support	873,686	641,879	299,949	1,815,514
Auxiliary Enterprises	647,742	2,074,268	343,513	3,065,523
	$15,212,970	$6,468,319	$1,233,718	$22,915,007

	2007			
	Operation and Maintenance of Plant	Depreciation and Amortization	Interest Expense	Total
Instruction	$ 9,382,456	$ 2,224,826	$ 865,566	$12,472,848
Research and Public Service	355,291	77,359	14,334	446,984
Academic Support	1,527,626	707,464	88,348	2,323,438
Student Services	1,989,378	736,776	582,191	3,308,345
Institutional Support	881,882	672,849	659,884	2,214,615
Auxiliary Enterprises	682,265	2,034,075	910,595	3,626,935
	$14,818,898	$6,453,349	$3,120,918	$24,393,165

16. Commitments and Contingencies

a. Noncancelable Lease Agreements and Other Contracts

The University is obligated under noncancelable operating lease agreements for the rental of off-campus facilities, some of which contain escalation clauses, equipment rentals, and other contracts. Minimum annual commitments under the operating leases and other contracts are as follows at August 31, 2008:

Year Ending August 31,	Total
2009	$ 1,973,539
2010	1,928,990
2011	2,267,880
2012	1,243,134
2013	1,205,605
Thereafter	3,977,600
	$12,596,748

Rental expense for operating leases amounted to $2,335,618 and $1,743,920 for the years ended August 31, 2008 and 2007, respectively.

b. Litigation

The University is presently a defendant in several lawsuits arising from the normal conduct of its affairs. Management of the University is of the opinion that settlements, if any, of the aforementioned litigation not covered by insurance will not have a material adverse impact on the accompanying consolidated financial statements of the University.

APPENDIX B

Schedule of Definitions and Summary of Documents

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SUMMARY OF SCHEDULE OF DEFINITIONS

The following have the meanings stated herein when used in this Appendix and the documents summarized below.

"1999 Project" means the facilities and projects financed or refinanced in whole or in part with the proceeds of the Series 1999 Bonds which were refinanced with the proceeds of the Series 2009A Bonds.

"2009 Project" means the 2009 Project as more particularly described in the Loan Agreement and including the Improvements and the Equipment financed by the University the proceeds of the Series 2009B Bonds loaned by the Issuer to the University under the Loan Agreement.

"2009 Project Construction Account" means the account within the Project Fund which is established by Section 4.01 of the Indenture.

"Act" means, collectively, the New York Membership Corporation Law as in effect in 1966, as superseded by Section 1411 of the New York Not-For-Profit Corporation Law.

"Act of Bankruptcy" means the filing of a petition in bankruptcy (or other commencement of a bankruptcy or similar proceeding) by or against the University or the Issuer under any applicable bankruptcy, reorganization, insolvency or similar law as is now or hereafter in effect.

"Affiliate" shall mean a corporation, partnership, association, limited liability company, joint venture, business trust or similar entity organized under the laws of any state that directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common contract with, the University.

"Applicable Elected Representative" means any Person constituting an "applicable elected representative" within the meaning given to the term in Section 147(f)(2)(E) of the Code.

"Authorized Investments" means:

A. Direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury, and CATS and TIGRS) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

B. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

1. U.S. Export-Import Bank (Eximbank)
   Direct obligations are fully guaranteed certificates of beneficial ownership
2. Farmers Home Administration (FmHA)
   Certificates of beneficial ownership
3. Federal Financing Bank
4. Federal Housing Administration Debentures (FHA)
5. General Services Administration
   Participation Certificates
6. Government National Mortgage Association (GNMA or "Ginnie Mae")
   GNMA – guaranteed mortgage-backed bonds
   GNMA – guaranteed pass-through obligations
   (not acceptable for certain cash-flow sensitive issues)
7. U.S. Maritime Administration
   Guaranteed Title XI financing
8. U.S. Department of Housing and Urban Development (HUD)
   Project Notes
   Local Authority Bonds
   New Communities Debentures – U.S. government guaranteed debentures
   U.S. Public Housing Notes and Bonds – U.S. government guaranteed public housing notes and bonds

C. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):

1. Federal Home Loan Bank System
   Senior debt obligations
2. Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac")
   Participation Certificates
   Senior debt obligations
3. Federal National Mortgage Association (FNMA or "Fannie Mae")
   Mortgage-backed securities and senior debt obligations
4. Student Loan Marketing Association (SLMA or "Sallie Mae")
   Senior debt obligations
5. Resolution Funding Corp. (REFCORP) obligations

6. Farm Credit System
Consolidated systemwide bonds and notes

D. Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933. Said funds include The Common Fund for Short Term Investments (the "Short Term Fund") organized by the Commonfund Group located in Wilton, Connecticut.

E. Certificates of deposit secured at all times by collateral described in (A) and/or (B) above. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks. The collateral must be held by a third party and the Trustee must have a perfected first security interest in the collateral.

F. Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC, including BIF and SAIF.

G. Investment Agreements, including GIC's, Forward Purchase Agreements and Reserve Fund Put Agreements provided by banks and other institutions rated AAA by S&P and Aaa by Moody's or secured by collateral and structured as described in (A), (B) and (E) above.

H. Commercial paper rated, at the time of purchase, Prime – 1 by Moody's and A-1 or better by S&P.

I. Bonds or notes issued by any state or municipality which are rated by Moody's and S&P in one of the two highest rating categories assigned by such agencies.

J. Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of Prime – 1 or A3 or better by Moody's and A-1 or A or better by S&P.

K. Repurchase agreements providing for the transfer of securities from a dealer bank or securities firm (seller/borrower) to a municipal entity (buyer/lender), and the transfer of cash from a municipal entity to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the municipal entity in exchange for the securities at a specified date.

1. Repurchase agreements must be between the Issuer and a dealer bank or securities firm.

a. Primary dealers on a Federal Reserve reporting dealer list which are rated A or better by S&P and Moody's or

b. Banks rated A or above by S&P, Fitch and Moody's.

2. The written repurchase agreements contract must include the following:

   a. Securities which are acceptable for transfer are:
      (1) Direct U.S. governments, or
      (2) Federal agencies backed by the full faith and credit of the U.S. government (and FNMA and FHLMC)

   b. The term of the repurchase agreements may be up to 30 days.

   c. The collateral must be delivered to the Issuer, the Trustee (if the Trustee is not supplying the collateral) or third party acting as agent for the Trustee (if the Trustee is supplying the collateral) before/simultaneous with payment (perfection by possession of certificated securities).

   d. Valuation of collateral:

      (1) The securities must be valued weekly, marked-to-market at current market price plus accrued interest.

         (a) The value of collateral must be equal to 104% of the amount of cash transferred by the municipal entity to the dealer bank or security firm under the repurchase agreements plus accrued interest. If the value of securities held as collateral slips below 104% of the value of the cash transferred by municipality, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal 105%.

3. Legal opinion which must be delivered to the Issuer:

   a. Repurchase agreements meet guidelines under state law for legal investment of public funds.

"Authorized Representative" means, in the case of the Issuer, the Chairman, the Vice Chairman, the Executive Director and Chief Executive Officer, Deputy Executive Director and Chief Financial Officer, the Secretary or the Assistant Secretary of the Issuer; in the case of the University, the President or the Treasurer of the University; and, in the case of either of the Issuer and the University, such additional persons as, at the time, are designated to act on behalf of the Issuer or the University, as the case may be, by written certificate furnished to the Trustee, the Issuer or the University, as the case may be, containing the specimen signature of each such person and signed on behalf of (i) the Issuer by the Chairman, the Vice Chairman, the Executive Director and Chief Executive Officer, Deputy Executive Director and Chief Financial Officer, the Secretary or the Assistant Secretary of the Issuer, or (ii) the University by the President or the Treasurer of the University.

"Bankruptcy Code" means the United States Bankruptcy Code, as amended from time to time.

"Bond" or "Bonds" means collectively the Series 2009 Bonds.

"Bond Counsel" means the law firm of Nixon Peabody LLP or an attorney or other firm of attorneys whose experience in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized.

"Bond Documents" means the Bond Purchase Agreement, the Indenture, the Loan Agreement, the Tax Compliance Agreement, the Note, the Continuing Disclosure Agreement, the Preliminary Official Statement and the Official Statement.

"Bond Fund" means the fund so designated which is established by Section 4.01 of the Indenture.

"Bond Purchase Agreement" means the Bond Purchase Agreement, dated September 24, 2009, among the Issuer, the University and the Underwriter, as the same may be amended from time to time.

"Bond Proceeds" means the aggregate amount, including any accrued interest, paid to the Issuer by the Bondholders pursuant to the Indenture as the purchase price of the Bonds.

"Bond Rate" means the tax-exempt rate of interest from time to time payable on any of the Bonds as defined therein.

"Bond Registrar" means the Trustee as bond registrar with respect to the Bonds and its successors and assigns in such capacity.

"Bond Resolution" means the resolution duly adopted by the Issuer on September 23, 2009, authorizing the issuance, execution, sale and delivery of the Bonds and the execution and delivery of Issuer Documents, as such resolution may be amended or supplemented from time to time.

"Bond Year" means with respect to the Bonds, each 1-year period (or shorter period from the date of issue) that ends at the close of business on the day in the calendar year that is selected by the Issuer (and approved by the University), which must be the last day of a compounding interval used in computing the yield on the Bonds.

"Bondholder" means Owner.

"Business Day" means any day other than a Saturday, a Sunday, a legal holiday or a day on which banking institutions in New York, New York or any city in which the principal office of the Trustee or any Paying Agent is located are authorized by law or executive order to remain closed.

"Certificate of Authentication of the Trustee" and "Trustee's Certificate of Authentication" means the certificate executed by an authorized signatory of the Trustee certifying the due authentication of each of the Bonds issued under the Indenture.

"Closing Date" means the date of sale and delivery of the Bonds.

"Code" means the Internal Revenue Code of 1986, as amended, and the final, temporary and proposed rules, regulations, rulings and interpretations of the Department of the Treasury promulgated thereunder.

"Completion Date" means the date of completion of the 2009 Project as certified to pursuant to Section 4.4 of the Loan Agreement.

"Computation Period" means "Computation Period" as defined in the Tax Compliance Agreement.

"Condemnation" means the taking of title to, or the use of, Property under the exercise of the power of eminent domain by any governmental entity or other Person acting under governmental authority.

"Construction Costs" shall have the meaning assigned thereto in the Tax Compliance Agreement.

"Construction Period" means, with respect to the 2009 Project, the period (i) beginning on the date of commencement of renovation, construction, equipping and furnishing of the 2009 Project, which date shall not be prior to October 11, 2007, and (ii) ending on the Completion Date with respect to the 2009 Project.

"Continuing Disclosure Agreement" means the Continuing Disclosure Agreement, dated September 30, 2009, between the University and the Trustee.

"Cost of the 2009 Project" or "Costs of the 2009 Project" means all those costs and items of expense listed in Section 4.3 of the Loan Agreement.

"Debt Service Coverage Ratio" shall have the meaning assigned thereto in Section 8.13 of the Loan Agreement.

"Debt Service Payment" means, with respect to any Debt Service Payment Date, (i) the interest payable on such Debt Service Payment Date on all Bonds then Outstanding, plus (ii) the principal or Redemption Price, if any, payable on such Debt Service Payment Date on all such Bonds.

"<u>Debt Service Payment Date</u>" means any date on which each Debt Service Payment shall be payable on any of the Bonds so long as the Bonds shall be outstanding.

"<u>Default Rate</u>" shall have the meaning assigned thereto in the Bonds.

"<u>DTC</u>" means The Depository Trust Company, New York, New York.

"<u>DTC Letter of Representation</u>" means the Letter of Representation from the Issuer to DTC.

"<u>Equipment</u>" means all machinery, equipment and other personal property used and to be used in connection with the 2009 Project and financed with Bond Proceeds.

"<u>Event of Default</u>" (i) when used with respect to the Indenture means any of those events defined as an Event of Default by Section 8.01 of the Indenture, and (ii) when used with respect to the Loan Agreement, means any of the events defined as Events of Default by Section 10.1 of the Loan Agreement,.

"<u>Event of Taxability</u>" means:

(i) a final determination by any court of competent jurisdiction or a final determination by the Internal Revenue Service to which the University shall consent or from which no timely appeal shall be taken to the effect that interest on the Bonds is includible in the gross income of the owner thereof under Section 61 of the Code; or

(ii) the delivery to the University and to the Issuer of an opinion of Bond Counsel (reasonably satisfactory to the University) to the effect that interest on the Bonds is includible in the gross income of the owner thereof under Section 61 of the Code.

"<u>Exempt Organization</u>" means an organization described in Section 501(c)(3) of the Code and which is exempt from federal income taxation pursuant to Section 501(a) of the Code.

"<u>Expendable Net Assets</u>" means the sum of unrestricted and temporarily restricted net assets (other than Plant Equity) that may be used to pay debt service on Long-Term Indebtedness.

"<u>Extraordinary Services</u>" and "<u>Extraordinary Expenses</u>" means all services rendered and all fees and expenses incurred by or due to the Trustee or any Paying Agent under the Indenture other than Ordinary Services and Ordinary Expenses, including reasonable fees and disbursements of Trustee's counsel.

"<u>Fiscal Year</u>" means the twelve (12) month period beginning on September 1 in any year or such other fiscal year as the University may select from time to time.

"<u>Fitch</u>" means Fitch Ratings and its successors and assigns.

"Government Obligations" means:

1. U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series – "SLGS").

2. Direct obligations of the Treasury which have been stripped by the Treasury itself, CATS, TIGRS and similar securities.

3. Resolution Funding Corp. (REFCORP). Only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form are acceptable.

4. Pre-refunded municipal bonds rated Aaa by Moody's and AAA by S&P. If however, the issue is only rated by S&P (i.e., there is no Moody's rating), then the pre-refunded bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations or AAA rated pre-refunded municipals to satisfy this condition.

5. Obligations issued by the following agencies which are backed by the full faith and credit of the U.S.:

a. U.S. Export-Import Bank (Eximbank)
Direct obligations are fully guaranteed certificates of beneficial ownership

b. Farmers Home Administration (FmHA)
Certificates of beneficial ownership

c. Federal Financing Bank

d. General Services Administration
Participation Certificates

e. U.S. Maritime Administration
Guaranteed Title XI financing

f. U.S. Department of Housing and Urban Development (HUD)
Project Notes
Local Authority Bonds
New Communities Debentures – U.S. government guaranteed debentures
U.S. Public Housing Notes and Bonds – U.S. government guaranteed public housing notes and bonds

"Hazardous Substance" means, without limitation, any flammable, explosive, radon, radioactive materials, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum, petroleum constituents, petroleum products, methane, hazardous materials, hazardous wastes, hazardous or toxic substances or related materials, pollutants, or toxic pollutants, as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Sections 9601, et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Sections 6901, et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Sections 1801, et seq.), the Toxic Substances Control Act, as amended (15 U.S.C. Sections 2601, et seq.), the Federal Water Pollution Control Act, as amended (33 U.S.C. Sections 1251 et seq.), Articles 17 and 27 of the New York State Environmental Conservation Law, or any other applicable Environmental Law and the regulations promulgated thereunder.

"Holder" means Owner.

"Improvements" means all those buildings, improvements, structures and other related facilities (i) financed with Bond Proceeds or of any payment by the University pursuant to the Loan Agreement, and (ii) not part of the Equipment, all as they may exist from time to time.

"Indebtedness" shall mean any obligation of the University for the payment of money, including without limitation (i) indebtedness for money borrowed, (ii) purchase money obligations, (iii) leases evidencing the acquisition of capital assets, (iv) reimbursement obligations, and (v) guarantees of any such obligation of a third party.

"Indenture" means the Indenture of Trust, dated as of September 1, 2009, by and between the Issuer and the Trustee, entered into in connection with the issuance, sale, delivery and payment of the Bonds and the security therefor as the same may be amended or supplemented from time to time.

"Independent Counsel" means an attorney or attorneys or firm or firms of attorneys duly admitted to practice law before the highest court of any state of the United States of America or in the District of Columbia and not a full time employee of the Issuer, the University or the Trustee.

"Independent Engineer" means an engineer or engineering firm registered and qualified to practice the profession of engineering under the laws of the State selected by the University and not a full time employee of the Issuer, the University or the Trustee.

"Information Report" means Form 8038 used by the issuers of certain tax-exempt bonds to provide the Internal Revenue Service with the information required to monitor the State volume limitations.

"Initial Bondholder" means Cede & Co., as nominee for DTC, as the initial owner of the Bonds.

"Issuer" means (i) the Town of Hempstead Local Development Corporation, its successors and assigns, and (ii) any local governmental body resulting from or surviving any consolidation or merger to which the Issuer or its successors may be a party.

"Issuer Documents" means the Bond Purchase Agreement, the Bonds, the Loan Agreement, the Indenture, the Note, the Tax Compliance Agreement, the Information Report, the Preliminary Official Statement and the Official Statement.

"Lien" means any interest in Property securing an obligation owed to a Person whether such interest is based on the common law, statute or contract, and including but not limited to the security interest arising from a mortgage, encumbrance, pledge, conditional sale or trust receipt or a lease, consignment or bailment for security purposes. The term "Lien" includes reservations, exceptions, encroachments, easements, rights-of-way, covenants, conditions, restrictions, leases and other similar title exceptions and encumbrances, including but not limited to mechanics', materialmen's, warehousemen's, carriers' and other similar encumbrances affecting real property. For the purposes of this definition, a Person shall be deemed to be the owner of any Property which it has acquired or holds subject to a conditional sale agreement or other arrangement pursuant to which title to the Property has been retained by or vested in some other Person for security purposes.

"Loan Agreement" means the Loan Agreement, dated as of September 1, 2009, by and between the Issuer and the University with respect to the 2009 Project, as the same may be amended from time to time.

"Loan Term" means the duration of the loan term created in the Loan Agreement.

"Long-Term Indebtedness" means indebtedness with a term greater than one (1) year.

"Maximum Annual Debt Service" means the highest amount of principal and interest payable with respect to the University's Long-Term Indebtedness during the then current or any succeeding Bond Year over the remaining term of the Bonds.

"Moody's" means Moody's Investors Service.

"Net Proceeds" means so much of the gross proceeds with respect to which that term is used as remain after payment of all expenses, costs and taxes (including attorneys' fees) incurred in obtaining such gross proceeds.

"Net Revenues Available for Debt Service" means the amount of unrestricted revenues, gains and other support, less unrestricted expenses and losses (excluding from such revenues and expenses extraordinary items and excluding from such expenses depreciation, interest on and principal of Long-Term Indebtedness and amortization of bond discount and financing expenses) as determined in accordance with generally acceptable accounting principles.

"Note" or "Promissory Note" means the Promissory Note dated the Closing Date, from the University to the Issuer, substantially in the form of Exhibit D to the Loan Agreement, evidencing the University's obligations to make Loan Payments to the Issuer.

"Office of the Trustee" means the principal corporate trust office of the Trustee, as specified in Section 12.04 of the Indenture, or such other address as the Trustee shall designate.

"Official Statement" means the Official Statement, dated September 24, 2009, distributed by the Underwriter and the University in connection with the sale of the Bonds.

"Ordinary Services" and "Ordinary Expenses" means those services normally rendered and those fees and expenses normally incurred by or due to a trustee or paying agent, as the case may be, under instruments similar to the Indenture, including reasonable fees and disbursements of counsel for the Trustee.

"Outstanding" or "Bonds Outstanding" or "Outstanding Bonds" means all bonds which have been authenticated by the Trustee and delivered by the Issuer under the Indenture, or any supplement thereto, except: (i) any Bond cancelled by the Trustee because of payment or redemption prior to maturity; (ii) any bond deemed paid in accordance with the provisions of Section 7.01 of the Indenture, except that any such Bond shall be considered Outstanding until the maturity date thereof only for the purposes of being exchanged or registered; and (iii) any Bond in lieu of or in substitution for which another Bond shall have been authenticated and delivered pursuant to Section 2.11 of the Indenture, unless proof satisfactory to the Trustee is presented that any Bond, for which a Bond in lieu of or in substitution therefor shall have been authenticated and delivered, is held by a bona fide purchaser, as that term is defined in Article 8 of the Uniform Commercial Code of the State, as amended, in which case both the Bond so substituted and replaced and the Bond or Bonds so authenticated and delivered in lieu thereof or in substitution therefor shall be deemed Outstanding.

"Owner" means the registered owner of any Bond as shown on the registration books maintained by the Bond Registrar pursuant to the Indenture.

"Paying Agent" means the Trustee, acting as such, and any additional paying agent for the Bonds appointed pursuant to Article IX of the Indenture, their respective successors and any other corporation which may at any time be substituted in their respective places pursuant to the Indenture.

"Permitted Encumbrances" means (i) the Loan Agreement, (ii) utility, access and other easements and rights-of-way, restrictions and exceptions that do not materially impair the utility or the value of the Property affected thereby for the purposes for which it is intended, (iii) mechanics', materialmen's, warehousemen's, carriers' and other similar Liens which are approved in writing by the Issuer, (iv) Liens for taxes not yet delinquent, (v) equipment leases of less than one (1) year, (vi) equipment leases in excess of one (1) year and/or purchase money security interests, in each case not in excess of the amounts set forth in Section 8.13 of the Loan Agreement and with respect to additional long term debt such greater amount as shall be approved by fifty percent (50%) or more of the Holders of the Bonds, (vii) indebtedness in connection with the acquisition of real property secured solely by non-recourse purchase money mortgages on such real property, which indebtedness is not a general obligation of the University, and (viii) Liens which are in existence as of the Closing Date or described in the audited consolidated financial statements of the University.

"Person" or "Persons" means an individual, partnership, corporation, trust or unincorporated organization, and a government or agency or political subdivision or branch thereof.

"Plans and Specifications" means those plans and specifications, if any, for the Improvements, as may be from time to time prepared for the University, as revised from time to time in accordance with the Loan Agreement.

"Plant Equity" means the sum of all plant assets net of accumulated depreciation less total outstanding Long-Term Indebtedness.

"Preliminary Official Statement" means the Preliminary Official Statement, dated September 15, 2009, distributed by the Underwriter and the University in connection with the sale of the Bonds.

"Project" or "Projects" means collectively the 1999 Project and the 2009 Project.

"Project Fund" means the fund so designated which is created by Section 4.01 of the Indenture.

"Property" means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

"Public Purposes" shall mean the State's objective to create industrial development agencies for the benefit of the several counties, cities, villages and towns in the State and to empower such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip and sell land and any building or other improvement, and all real and personal properties, including, but not limited to, machinery and equipment deemed necessary in connection therewith, whether or not now in existence or under construction, which shall be suitable for civic, manufacturing, warehousing, research, commercial, recreation or industrial facilities, including industrial pollution control facilities, in order to advance job opportunities, health, general prosperity and the economic welfare of the people of the State and to improve their standard of living.

"Rating Agency" means Moody's, Fitch, S&P or such other nationally recognized rating agency which shall have issued and is maintaining a rating on the Bonds.

"Rating Agency Letter" means the rating letter from each Rating Agency assigning a rating on the Bonds.

"Rebate Amount" means, with respect to the Bonds, the amount computed as described in Section 8.5 of the Tax Compliance Agreement.

"Rebate Fund" means the fund so designated pursuant to Section 4.01 of the Indenture.

"Record Date" means, with respect to any Debt Service Payment Date, the fifteenth (15th) day of the month next preceding such Debt Service Payment Date (whether or not a Business Day).

"Redemption Date" means, when used with respect to a Bond, the date of redemption thereof established pursuant to Section 3.01 of the Indenture.

"Redemption Price" means, when used with respect to a Bond, the principal amount thereof plus the applicable premium, if any, payable upon the prior redemption thereof pursuant to the Indenture.

"Renewal Fund" means the fund so designated and created pursuant to Section 4.01 of the Indenture.

"Responsible Officer", when used with respect to the Trustee, means any officer of the Trustee with responsibility for the administration of the Indenture and, when used with respect to a particular corporate trust matter, also means any other officer to whom such matter is referred because of such officer's knowledge of and familiarity with the particular subject.

"Schedule of Definitions" means the words and terms set forth in the Schedule of Definitions attached to the Indenture as the same may be amended from time to time.

"SEQR Act" means the State Environmental Quality Review Act and the regulations thereunder.

"Series 1999 Bonds" means the Civic Facility Revenue Bonds, Series 1999 (Adelphi University Civic Facility) issued on February 24, 1999 by the Town of Hempstead Industrial Development Agency in the original aggregate principal amount of $15,000,000.

"Series 1999 Bonds Indenture" means the Indenture of Trust, dated as of February 1, 1999, by and between the Town of Hempstead Industrial Development Agency and the Series 1999 Bonds Trustee, entered into in connection with the issuance, sale, delivery and payment of the Series 1999 Bonds.

"Series 1999 Bonds Redemption Account" means the account within the Project Fund which is established by Section 4.01 of the Indenture.

"Series 1999 Bonds Trustee" means (i) The Bank of New York Mellon, as successor to The Bank of New York, and (ii) its successors and any corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at the time serving as successor trustee hereunder.

"Series 2009 Bonds" means the Series 2009A Bonds and the Series 2009B Bonds.

"Series 2009A Bonds" means the Issuer's Revenue Refunding Bonds, Series 2009A (Adelphi University Project) issued pursuant to the terms of the Indenture on September 30, 2009 in the aggregate principal amount of $6,075,000 and substantially in the form of Exhibit A-1 of the Indenture.

"Series 2009B Bonds" means the Issuer's Revenue Bonds, Series 2009B (Adelphi University Project) issued pursuant to the terms of the Indenture on September 30, 2009 in the aggregate principal amount of $25,000,000 and substantially in the form of Exhibit A-2 of the Indenture.

"Series 2009B Bonds Capitalized Interest Account" means the account within the Project Fund which is established by Section 4.01 of the Indenture.

"Short-Term Indebtedness" means indebtedness with a term of one (1) year or less, but not including accounts payable by the University in the ordinary course of its operations.

"Sinking Fund Payments" means payments made on a Debt Service Payment Date to pay the Redemption Price of bonds called for redemption pursuant to Section 3.01(f) of the Indenture.

"S&P" or "Standard & Poor's" means Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc.

"State" means the State of New York.

"Supplemental Indenture" means any indenture supplemental to or amendatory of the Indenture adopted by the Issuer in accordance with Article X of the Indenture.

"Tax Compliance Agreement" means the Tax Compliance Agreement, dated the Closing Date, between the Issuer and the University, as the same may be amended, modified or supplemented from time to time in accordance with the terms thereof and with the terms of the Indenture.

"Tax Incidence Date" means the date from which the interest on the Bonds is deemed to be includible in the gross income of the owner of a Bond by virtue of an Event of Taxability.

"Trust Estate" means the rights assigned pursuant to the Indenture and all Property which may from time to time be subject to the Lien of the Indenture.

"Trustee" means (i) U.S. Bank, National Association, a national banking association having trust powers duly organized and existing under the laws of the United States of America, having an office at 100 Wall Street, Suite 1600, New York, New York 10005 and (ii) its successors and any corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at the time serving as successor trustee hereunder.

"Unassigned Rights" means the rights of the Issuer and moneys payable pursuant to and under Sections 5.3(b), 6.4(b) and (c), 6.7, 8.2, 8.8, 10.2(a)(i)(A) and (B), (iii) and (vi), 10.4(a) and 11.2(b) of the Loan Agreement.

"Underwriter" means (i) Merrill Lynch & Co., Inc., having an office at Four World Financial Center, Ninth Floor, North Tower, New York, New York 10080, or (ii) its successors and assigns.

"University" means Adelphi University, an education corporation duly organized and validly existing under the laws of the State of New York, and its successors and assigns.

"University Documents" means the Bond Purchase Agreement, the Loan Agreement, the Tax Compliance Agreement, the Note, the Continuing Disclosure Agreement, the Preliminary Official Statement, and the Official Statement.

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SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following summarizes certain provisions of the Indenture to which reference is made for the detailed provisions thereof. Certain provisions of the Indenture are also described in the Official Statement under the Captions "INTRODUCTION" and "THE BONDS".

Authentication

No Bond shall be valid for any purpose or shall be entitled to any right or benefit under the Indenture unless there shall be endorsed on such Bond a Certificate of Authentication, duly executed by the Trustee, substantially in the form set forth in the Form of Bonds included in the Indenture as Exhibit A-1 and Exhibit A-2. Such executed Certificate of Authentication by the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under the Indenture. The Trustee's Certificate of Authentication on any Bond shall be deemed to have been executed by it if signed by an authorized signatory of the Trustee, but it shall not be necessary that the same person sign the Certificate of Authentication on all of the Bonds issued under the Indenture.

Mutilated, Lost, Stolen or Destroyed Bonds

(a) In the event any Bond is mutilated, lost, stolen or destroyed, the Issuer shall execute and, upon its request, the Trustee shall authenticate and deliver, a new Bond of like maturity, interest rate and principal amount and bearing the same number (or such number as the Trustee shall permit) as the mutilated, destroyed, lost or stolen Bond, in exchange for the mutilated Bond, or in substitution for the Bond so destroyed, lost or stolen. In every case of exchange or substitution, the applicant shall furnish to the Issuer and to the Trustee (i) such security or indemnity as may be required by them to hold each of them harmless from all risks, however remote, and (ii) evidence to their satisfaction of the mutilation, destruction, loss or theft of the applicant's Bond and of the ownership thereof. Upon the issuance of any Bond upon such exchange or substitution, the Issuer may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses, including counsel fees, of the Issuer or the Trustee. In case any Bond which has matured or is about to mature shall become mutilated or be destroyed, lost or stolen, the Issuer may, instead of issuing a Bond in exchange or substitution therefor, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated Bond) if the applicant for such payment shall furnish to the Issuer and to the Trustee such security or indemnity as they may require to hold them harmless and evidence to the satisfaction of the Issuer and the Trustee of the mutilation, destruction, loss or theft of such Bond and of the ownership thereof.

(b) Every new Bond issued pursuant to the provisions of Section 2.09 of the Indenture shall constitute an additional contractual, special obligation of the Issuer (whether or not the destroyed, lost or stolen Bond shall be found at any time after the issuance of such new Bonds, in which case the destroyed, lost or stolen Bond shall be void and unenforceable) and shall be entitled to all the benefits of the Indenture equally and proportionately with any and all other Bonds duly issued under the Indenture.

(c) All Bonds shall be held and owned upon the express condition that the provisions of Section 2.09 of the Indenture are exclusive, with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds, and shall preclude all other rights or remedies, notwithstanding any law or statute existing or thereinafter enacted to the contrary.

Establishment of Funds

The following trust funds are established with the Trustee and shall be held, maintained and administered by the Trustee on behalf of the Issuer in accordance with the Indenture:

(a) Town of Hempstead Local Development Corporation Bond Fund – Adelphi University (the "Bond Fund"), and within such Bond Fund, an "Interest Account" and a "Principal Account".

(b) Town of Hempstead Local Development Corporation Project Fund – Adelphi University (the "Project Fund"), and within such Project Fund, a "Series 1999 Bonds Redemption Account", a "Series 2009B Bonds Capitalized Interest Account" and a "2009 Project Construction Account".

(c) Town of Hempstead Local Development Corporation Rebate Fund – Adelphi University (the "Rebate Fund").

(d) Town of Hempstead Local Development Corporation Renewal Fund – Adelphi University (the "Renewal Fund").

Moneys to Be Held in Trust

All moneys deposited with, paid to or received by the Trustee for the accounts of the Issuer (other than amounts deposited in the Rebate Fund) shall be held by the Trustee in trust, and shall be subject to the lien of the Indenture and held for the security of the Owners of the Bonds until paid in full; provided, however, that moneys which have been deposited with, paid to or received by the Trustee (i) for the redemption of a portion of the Bonds, notice of the redemption of which has been given, or (ii) for the payment of Bonds or interest thereon due and payable otherwise than upon acceleration by declaration, shall be held in trust for and subject to a Lien in favor of only the Owners of such Bonds so called for redemption or so due and payable.

Use of the Moneys in Project Fund

(a) Moneys in the Project Fund shall be applied and expended by the Trustee in accordance with the provisions of Section 4.04 of the Loan Agreement and particularly Section 4.3 thereof.

(b) The Trustee is hereby authorized and, on the date of Closing, directed to transfer amounts on deposit in the Series 1999 Bonds Redemption Account to the Series 1999 Bonds Trustee to redeem the Series 1999 Bonds. On each Debt Service Payment Date during the Construction Period of the 2009 Project, the Trustee is hereby authorized and directed to transfer from the Series 2009B Capitalized Interest Account to the Interest Account of the Bond Fund an amount necessary to pay interest on the Series 2009B Bonds. Except as otherwise provided in summarized paragraph (a) immediately above or in the two preceding sentences of this summarized paragraph (b), the Trustee is directed to issue its checks for each disbursement from the 2009 Project Account of the Project Fund upon being furnished with a written requisition therefor certified by an Authorized Representative of the University and substantially in the form of Exhibit B annexed to the Indenture to pay the Costs of the 2009 Project. The Trustee shall maintain adequate records pertaining to the Project Fund and all disbursements therefrom.

(c) The completion of the 2009 Project and payment or provision for payment of all Costs of the 2009 Project shall be evidenced by the filing with the Trustee of the certificate required by Section 4.4 of the Loan Agreement. As soon as practicable and in any event not more than sixty (60) days after the date of the filing with the Trustee of the certificate referred to in the preceding sentence, any balance remaining in the Project Fund, except amounts the University shall have directed the Trustee, in writing, to retain for any Cost of the 2009 Project not then due and payable, and after the making of any transfer to the Rebate Fund that the University shall have directed the Trustee, in writing, to make as required by the Tax Compliance Agreement and Section 4.09 of the Indenture, shall without further authorization be transferred to the Bond Fund and thereafter applied to pay the principal of the Series 2009B Bonds as they become due and payable.

(d) Within sixty (60) days after transfer of the balance in the Project Fund to the Bond Fund, the Trustee shall file an accounting thereof with the Issuer and the University.

(e) All earnings on amounts held in the Project Fund shall be retained in the respective account of the Project Fund until the Completion Date. Any transfers by the Trustee of amounts to the Rebate Fund (only at the direction of the University) shall be drawn by the Trustee from the Project Fund.

(f) If an Event of Default hereunder shall have occurred and the outstanding principal amount of the Bonds shall have been declared due and payable, the entire balance remaining in the Project Fund, after making any transfer to the Rebate Fund directed to be made by the University pursuant to the Tax Compliance Agreement and Section 4.09 of the Indenture, shall be transferred to the Bond Fund.

Payments into Bond Fund

In addition to the payment into the Bond Fund of the accrued interest, if any, on the Bonds pursuant to Section 4.02 of the Indetnure, there shall be deposited in the Bond Fund, as and when received (a) all payments received by the Trustee under Section 5.3(a) of the Loan Agreement; (b) amounts transferred from the Series 2009B Bonds Capitalized Interest Account pursuant to Section 4.04(b) of the Indenture; (c) the balance in the Project Fund and the Renewal Fund to the extent specified in Article IV of the Indenture; (d) the amount of net income or gain received from the investments of moneys in the Bond Fund and all Funds and Accounts (other than the Rebate Fund) held under the Indenture after the Completion Date; and (e) all other moneys received by the Trustee pursuant to any of the provisions of the Loan Agreement or the Indenture and designated for deposit in the Bond Fund.

Use of Moneys in Bond Fund

(a) Except as otherwise expressly provided in the Indenture, moneys in the Bond Fund shall be used solely for the payment, when due, of the Debt Service Payments on the Bonds or for the purchase or redemption of Bonds as provided in the Indenture. Moneys deposited in the Bond Fund in accordance with the provisions of Sections 4.04(c), 4.07(b) and 4.07(c) of the Indenture, however, may not be used for the payment of interest on Bonds.

(b) The Trustee shall, on or before each Debt Service Payment Date of the Bonds, pay out of the monies then held for the credit of the Interest Account the amounts required for the payment of interest becoming due on the respective series of Bonds on such Debt Service Payment Date, and such amounts so withdrawn are hereby irrevocably dedicated for and shall be applied to the payment of interest.

(c) The Trustee shall, on or before each Debt Service Payment Date, when principal of the Bonds or Sinking Fund Payments are due, pay out of the monies then held for the credit of the Principal Account the amounts required for the payment of principal or Sinking Fund Payments becoming due at maturity, on a Sinking Fund Payment Date, or upon redemption of the respective series of Bonds on such Debt Service Payment Date or Sinking Fund Payment Date and such amounts so withdrawn are hereby irrevocably dedicated for and shall be applied to the payment of principal or Sinking Fund Payments.

(d) Moneys transferred to the Bond Fund from the Project Fund pursuant to Section 4.04(c) of the Indenture or from the Renewal Fund pursuant to Section 4.07(b) of the Indenture shall be invested, at the written direction of the University, subject to limitations on earnings as set forth in the Tax Compliance Agreement, and such moneys and earnings thereon shall be applied only to pay the principal of the Bonds as they become due and payable or the Redemption Price of Bonds subject to redemption pursuant to Section 3.01 of the Indenture.

(e) The Trustee shall call Bonds for redemption according to Article III of the Indenture, upon written direction of the Issuer or the University to the Trustee, on or after the date the Bonds are subject to optional redemption pursuant to Section 3.01(b) of the Indenture, whenever the assets of the Bond Fund shall be sufficient in the aggregate to provide monies to pay, redeem or retire all the Bonds then Outstanding or to redeem Bonds in part pursuant to Section 3.01(b) of the Indenture, including accrued interest thereon to the Redemption Date.

(f) Moneys in the Bond Fund shall be used by the Trustee, upon request of an Authorized Representative of the University, to purchase Bonds on the most advantageous terms obtainable with reasonable diligence, provided that no such purchase shall be made:

(i) if an Event of Default under the Loan Agreement has occurred;

(ii) within forty-five (45) days prior to any date on which Bonds are subject to redemption pursuant to Section 3.01 of the Indenture;

(iii) if the amount remaining in the Bond Fund, after giving effect to such purchase, is less than the amount required for the payment of the principal or Redemption Price of Bonds theretofore matured or called for redemption, plus interest to the date of maturity or the Redemption Date, as the case may be, in all cases where such Bonds have not been presented for payment; or

(iv) at a price in excess of that specified by the University in its request to the Trustee, plus accrued interest to the date of purchase.

The Trustee shall promptly notify the Issuer and the University of the principal amount and the maturity of each Bond so purchased and the balance held in the Bond Fund after such purchase.

(g) In connection with the purchase of Bonds with moneys on deposit in the Bond Fund as provided in Section 4.06(f) of the Indenture, the Trustee shall negotiate or arrange for such purchases in such manner (through brokers or otherwise and with or without receiving tenders) as it shall in its discretion determine.

(h) If the balance in the Bond Fund, not otherwise required for scheduled payments of principal of, Redemption Price or interest on the Bonds, forty-five (45) days prior to any date on which Bonds are subject to redemption pursuant to Section 3.01(b) of the Indenture equals or exceeds $50,000, the Trustee shall, upon request of an Authorized Representative of the University, apply as much of such balance as can be so applied to the redemption of Bonds on such next succeeding Redemption Date in the manner provided in Section 3.01 of the Indenture. The Trustee shall promptly notify the Issuer and the University of the principal amount and maturity of each Bond so redeemed and the balance held in the Bond Fund after such redemption.

(i) Whenever the amount in the Bond Fund is sufficient to redeem all of the Outstanding Bonds and to pay accrued interest to maturity or the date of redemption, the Trustee shall, upon request of an Authorized Representative of the University, take and cause to be taken the necessary steps to redeem all such Bonds on the next succeeding Redemption Date for which the required redemption notice may be given or on such later Redemption Date as may be specified by the University.

Payments into Renewal Fund; Application of Renewal Fund

(a) The Net Proceeds resulting from any insurance award, condemnation award or recovery from any contractor or subcontractor with respect to the 2009 Project shall be deposited in the Renewal Fund. The amounts in the Renewal Fund shall be subject to a security interest, lien and charge in favor of the Trustee until disbursed as provided in the Indenture.

(b) In the event the Bonds shall then be subject to redemption in whole (either by reason of such damage, destruction or condemnation or otherwise) pursuant to the terms thereof or of the Indenture, the Trustee shall, after making any transfer to the Rebate Fund, at the written direction of the University, as required by the Tax Compliance Agreement and the Indenture, transfer the amounts deposited in the Renewal Fund to the Bond Fund. If, on the other hand, the University is permitted to replace, repair, rebuild, restore or relocate the 2009 Project pursuant to Article VII of the Loan Agreement, the Trustee shall, at the written direction of the University, apply the amounts on deposit in the Renewal Fund, after making any transfer to the Rebate Fund, at the written direction of the University, as required by the Tax Compliance Agreement and the Indenture, to such replacement, repair, rebuilding, restoration or relocation. Upon the completion of such replacement, repair, rebuilding, restoration or relocation, and after making any transfer to the Rebate Fund, at the written direction of the University, as required by the Tax Compliance Agreement and Section 4.09 of the Indenture, any balance remaining in the Renewal Fund shall without further authorization be transferred to the Bond Fund and thereafter applied to pay the principal of the Bonds as they become due and payable.

(c) If any Event of Default shall exist at the time of the receipt by the Trustee of the Net Proceeds in the Renewal Fund and be continuing, the Trustee, unless it exercises the remedy provided by Section 10.2(a)(v) of the Loan Agreement, shall, after making any transfer to the Rebate Fund, at the written direction of the University, as required by the Tax Compliance Agreement and the Indenture, transfer the amounts deposited in the Renewal Fund to the Bond Fund to be applied in accordance with Section 8.05 of the Indenture.

(d) If the University elects to replace, repair, rebuild, restore or relocate the 2009 Project pursuant to Article VII of the Loan Agreement, the Trustee is authorized to apply the amounts in the Renewal Fund to the payment (or reimbursement to the extent the same shall have been paid by or on behalf of the University or the Issuer) of the costs required for the replacement, repair, rebuilding, restoration or relocation of the 2009 Project. The Trustee is further authorized and directed to issue its checks for each disbursement from the Renewal Fund upon a requisition submitted to the Trustee and signed by an Authorized Representative of the University. Such requisition shall be in the same form and subject to the same conditions as requisitions from the Project Fund.

Investment Earnings on Funds; Application of Investment Earnings on Funds

(a) All investment income or earnings on amounts held in the Project Fund, the Renewal Fund, the Bond Fund or any other special fund held under any of the Bond Documents (other than the Rebate Fund) prior to the Completion Date shall be deposited upon receipt by the Trustee into the Project Fund and used for the purposes set forth in Section 4.04 of the Indenture and after the Completion Date shall be used to pay any remaining sums due for costs of the 2009 Project not previously paid, or deposited by the Trustee into the Interest Account of the Bond Fund and used to pay the interest component of the next upcoming Debt Service Payment. The Trustee shall keep separate accounts of all investment earnings from each fund and account hereunder to indicate the source of the income or earnings.

(b) Within thirty (30) days after the end of each Computation Period, the Trustee, at the written direction of an Authorized Representative of the University, shall transfer to the Rebate Fund instead of the Project Fund or the Interest Account of the Bond Fund an amount of the investment earnings on the funds and accounts under the Indenture, such that the amount transferred to the Rebate Fund is equal to that amount as is set forth as the Rebate Amount in a written certificate delivered by the University to the Trustee pursuant to the Tax Compliance Agreement and the Indenture.

Payments into Rebate Fund; Application of Rebate Fund

(a) The Rebate Fund and the amounts deposited therein shall not be subject to a security interest, pledge, assignment, lien or charge in favor of the Trustee or any Owner of any Bond or any other Person.

(b) The Trustee, upon the receipt of a certification of the Rebate Amount from an Authorized Representative of the University, shall transfer, from moneys in the Project Fund or the Renewal Fund, or from any other moneys paid by the University under the Tax Compliance Agreement, into the Rebate Fund, within thirty (30) days after the end of each Bond Year, an amount such that the amount held in the Rebate Fund after such deposit is equal to the Rebate Amount calculated as of the last day of the immediately preceding Bond Year. If there has been delivered to the Trustee a certification of the Rebate Amount in conjunction with the completion of the 2009 Project pursuant to Section 4.4 of the Loan Agreement at any time during a Bond Year, the Trustee shall deposit in the Rebate Fund within thirty (30) days of the Completion Date an amount received from the University such that the amount held in the Rebate Fund after such deposit is equal to the Rebate Amount calculated at the completion of the 2009 Project. The amount deposited in the Rebate Fund pursuant to this summarized paragraph shall be paid by the University pursuant to the Tax Compliance Agreement.

(c) In the event that on the first day of any Bond Year the amount on deposit in the Rebate Fund exceeds the Rebate Amount, the Trustee, upon the receipt of written instructions from an Authorized Representative of the University, shall withdraw such excess amount and deposit it in the Project Fund until the completion of the 2009 Project, or, after the Completion Date, deposit it in the Bond Fund.

(d) The Trustee, upon the receipt of written instructions from an Authorized Representative of the University, shall pay to the United States, out of amounts in the Rebate Fund, (i) not later than thirty (30) days after the last day of the fifth Bond Year and after every fifth Bond Year thereafter, an amount such that, together with prior amounts paid to the United States, the total paid to the United States is equal to ninety percent (90%) of the Rebate Amount with respect to the Bonds as of the date of such payment, and (ii) notwithstanding the provisions of Section 7.02 of the Indenture, not later than thirty (30) days after the date on which all Bonds have been paid in full, one hundred (100%) percent of the Rebate Amount as of the date of payment.

(e) The Trustee shall have no obligation under the Indenture to transfer any amounts to the Rebate Fund unless the Trustee shall have received specific written instructions from the University to make such transfer.

Investment of Moneys

(a) Moneys held in any fund established pursuant to Section 4.01 of the Indenture (except the Series 1999 Bonds Redemption Account of the Project Fund) shall be invested and reinvested by the Trustee in Authorized Investments, pursuant to written direction by an Authorized Representative of the University, or pursuant to oral direction promptly confirmed in writing by such Authorized Representative. Such investments shall mature in such amounts and have maturity dates or be subject to redemption at the option of the owners thereof on or prior to the date on which the amounts invested therein will be needed for the purposes of such fund or accounts. The Trustee may at any time sell or otherwise reduce to cash a sufficient amount of such investments whenever the cash balance in such fund or accounts is insufficient for the purposes thereof. Any such investments shall be held by or under control of the Trustee and shall be deemed at all times a part of the fund or the respective account within a fund or special trust account for which such moneys are invested, and the interest accruing thereon and any profit realized from such investment shall be credited to and held in and any loss shall be charged to the applicable fund.

(b) The Trustee may make any investment permitted by this summarized section through its own bond department. The Trustee shall not be liable for any depreciation in the value of any investment made pursuant to this summarized section or for any loss arising from any such investment.

(c) Any investment authorized under the Indenture is subject to the condition that no use of the proceeds of any Bonds or of any other moneys shall be made which, if such use had been reasonably expected on the date of issue of such Bonds, would cause such Bonds to be "arbitrage bonds" within the meaning of such quoted term in

Section 148 of the Code. The Trustee shall not be liable if such use shall cause the Bonds to be "arbitrage bonds", provided only that the Trustee shall have made such investment pursuant to the written direction or confirmation by an Authorized Representative of the University as provided in this summarized section.

(d) [Reserved.]

(e) The Trustee shall, at the written direction of the University, sell at the best price obtainable by the Trustee, or present for redemption, any obligation purchased by it as an investment whenever it shall be necessary in order to provide monies to meet any payment or transfer from the Fund or account for which such investment was made.

Payment to University upon Payment of Bonds

Except as otherwise specifically provided in the Indenture, after payment in full of the principal or Redemption Price of and interest on all the Bonds (or after provision for the payment thereof has been made in accordance with Article VII of the Indenture) and after payment in full of the fees, charges and expenses of the Trustee and any Paying Agent and all other amounts required to be paid hereunder, and the fees, charges and expenses of the Issuer and all other amounts required to be paid under the Loan Agreement, all amounts remaining in any fund established pursuant to Section 4.01 of the Indenture (except the Rebate Fund) or otherwise held by the Trustee and by any additional Paying Agent for the account of the Issuer or the University under the Indenture or under the Loan Agreement shall be paid to the University.

Failure to Present Bonds

Subject to the provisions of Section 2.09 of the Indenture, in the event any Bond shall not be presented for payment when the principal or Redemption Price thereof becomes due, either at maturity or at the date fixed for prior redemption thereof or otherwise, if moneys sufficient to pay such Bond shall be held by the Trustee for the benefit of the Owner thereof, all liability of the Issuer to the Owner thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged. Thereupon, the Trustee shall hold such moneys, without liability for interest thereon, for the benefit of the Owner of such Bonds, who shall thereafter be restricted exclusively to such moneys for any claim under the Indenture or on, or with respect to, said Bond. If any Bond shall not be presented for payment within the period of two (2) years following the date when such Bond becomes due, whether by maturity or call for prior redemption or otherwise, the Trustee shall return to the Issuer the funds theretofore held by it for payment of such Bond, and such Bond shall, subject to the defense of any applicable statute of limitations, thereafter be an unsecured obligation of the Issuer. The Trustee shall, at least sixty (60) days prior to the expiration of such two (2) year period, give notice to any Owner who has not presented any Bond for payment that any moneys held for the payment of any such Bond will be returned as provided in Section 5.11 of the Indenture at the expiration of such two (2) year period. The failure of the Trustee to give any such notice shall not affect the validity of any return of funds pursuant to the Indenture.

Cancellation

All Bonds which have been paid, redeemed, purchased or surrendered shall be canceled and delivered by the Trustee to the Issuer. A copy of the canceled Bonds or other form of notice of such cancellation shall be delivered to the University upon its written request.

Agreement to Provide Information

The Trustee agrees, whenever requested in writing by the Issuer or the University, to provide such information that is known to the Trustee relating to the Bonds as the Issuer or the University, from time to time, may reasonably request, including, but not limited to, such information as may be necessary to enable the Issuer or the University to make any reports required by any Federal, state or local law or regulation.

Continuing Disclosure Agreement

Pursuant to Section 8.15 of the Loan Agreement, the University and the Trustee have undertaken responsibility for compliance with, and the Issuer shall have no liability to the holders of the Bonds or any other person with respect to, any reports, notices or disclosures required by or provided pursuant to the Continuing Disclosure Agreement authorized by said Section 8.15. The Trustee covenants and agrees with the holders from time to time of the Bonds that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement and Section 8.15 of the Loan Agreement. Notwithstanding any other provision of the Indenture, failure of the University or the Trustee to perform in accordance with the Continuing Disclosure Agreement shall not constitute a default or an Event of Default under the Indenture, and the rights and remedies provided by the Indenture upon the occurrence of such a default or an Event of Default shall not apply to any such failure, but the Continuing Disclosure Agreement may be enforced only as provided therein.

Discharge of Lien

(a) If the Issuer shall pay or cause to be paid to the Owners of any series of Bonds or of all Outstanding Bonds the principal thereof, redemption premium, if any, and interest thereon, at the times and in the manner stipulated therein and in the Indenture, and if there shall have been paid all fees, charges and expenses required to be paid under Section 9.02 of the Indenture, then the Lien on the Trust Estate created by the Indenture for the benefit of the Owners of the Bonds so paid shall be released, discharged and satisfied. In such event, except as otherwise specifically provided in the Indenture, the Trustee and any additional Paying Agent shall pay or deliver to the University all moneys or securities held by it pursuant to the Indenture which are not required for the payment of such Bonds. The Issuer may pay or cause to be paid any series of Bonds without at the same time paying or causing to be paid all series of Outstanding Bonds. If the Issuer does not pay or cause to be paid, at the same time, all Outstanding Bonds, then the Trustee and any additional Paying Agent shall not return those moneys and securities held under the Indenture as security for the benefit of the Owners of Bonds not so paid or caused to be paid.

(b) When all of the Outstanding Bonds shall have been paid in full, or provisions for such full payment of all Outstanding Bonds shall have been made in accordance with Section 7.01 and Section 7.02 of the Indenture, the Trustee and the Issuer shall promptly execute and deliver to the University such written certificates, instruments and documents as the University shall provide to cause the Lien of the Indenture upon the Trust Estate to be discharged and canceled.

(c) Notwithstanding the fact that the Lien of the Indenture upon the Trust Estate may have been discharged and canceled in accordance with this summarized section, the Indenture and the rights granted and duties imposed hereby, to the extent not inconsistent with the fact that the Lien upon the Trust Estate may have been discharged and canceled, shall nevertheless continue and subsist until the principal or Redemption Price of and interest on all of the Bonds shall have been fully paid or the Trustee shall have returned to the Issuer pursuant to Section 5.11 of the Indenture all funds theretofore held by the Trustee for payment of any Bonds not theretofore presented for payment.

Discharge of the Indenture

(a) Any Outstanding Bond or installments of interest with respect thereto shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning of, and with the effect expressed in, subsection (a) of Section 7.01 of the Indenture if: (i) there shall have been deposited with the Trustee sufficient cash and/or Government Obligations, in accordance with subsection (b) of Section 7.02 of the Indenture, which will, without further investment, be sufficient, together with the other amounts held for such payment, to pay the principal of the Bond when due or to redeem the Bond on the earliest possible redemption date thereof at the Redemption Price specified in Section 3.01 of the Indenture, (ii) in the event such Bonds are to be redeemed prior to maturity in accordance with Section 3.01 of the Indenture, all action required by the provisions of the Indenture to redeem the Bonds shall have been taken or provided for to the satisfaction of the Trustee and notice thereof in accordance with Section 3.02 of the Indenture shall have been duly given or provision satisfactory to the Trustee shall have been made for the giving of such notice, (iii) provision shall have been made for the payment of all fees and expenses of the Trustee and of any additional Paying Agent with respect to the series of Bonds of which the Bond is a part, (iv) the Issuer shall have been reimbursed for all of its expenses under the Loan Agreement with respect to the series of Bonds of which the Bond is a part, and (v) all other payments required to be made under the Loan Agreement and the Indenture with respect to the series of Bonds of which the Bond is a part shall have been made or provided for.

(b) For the purpose of this summarized section, the Trustee shall be deemed to hold sufficient moneys to pay the principal of an Outstanding Bond not then due or to redeem an Outstanding Bond prior to the maturity thereof only if there shall be on deposit with the Trustee and available for such purpose an amount of cash and/or a principal amount of Government Obligations, maturing or redeemable at the option of the owner thereof not later than (i) the maturity date of such Bond, or (ii) the first date following the date of computation on which such Bond may be redeemed pursuant to Article III of the Indenture (whichever may first occur), which, together with income to be earned on such Government Obligations prior to such maturity date or Redemption Date, equals the principal and redemption premium, if any, due on such Bond, together with all interest thereon (at the maximum applicable rate) which has accrued and which will accrue to such maturity or Redemption Date.

(c) Upon the defeasance of any series of Bonds or of all Outstanding Bonds in accordance with Section 7.01 and Section 7.02 of the Indenture, the Trustee shall hold in trust, for the benefit of the Owners of such Bonds, all such cash and/or Government Obligations, shall make no other or different investment of such cash and/or Government Obligations and shall apply the proceeds thereof and the income therefrom only to the payment of such Bonds.

Lien Law Section 73 Covenant

The University, for itself and as the Agent of the Issuer, covenants to the Issuer and to the Trustee, as a third-party beneficiary hereof, that the University will receive advances of monies under the Bond Documents and will hold the right to receive such advances as trust funds to be first applied to the payment of trust claims as defined in Section 71 of the Lien Law of the State, and that the University will apply the same to such payments only, before using any part of such advances for any other purpose.

Events of Default

The following shall be "Events of Default" under the Indenture:

(a) A default in the due and punctual payment of any interest or any principal, Sinking Fund Payments, or Redemption Price of any Bond, whether at the stated maturity thereof, upon proceedings for redemption thereof or upon the maturity thereof by declaration, or any other amounts due under the Indenture or the other Bond Documents; or

(b) A default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Issuer contained in the Indenture or in the Bonds and the continuance thereof for a period of thirty (30) days after written notice given by the Trustee or by the Owners of not less than fifty percent (50%) of the principal amount of the Bonds then Outstanding; or if such default cannot be cured within thirty (30) days, but the Issuer is proceeding diligently to cure such default, then the Issuer shall be permitted an additional ninety (90) days within which to remedy the default; or

(c) The occurrence of an Event of Default under the Loan Agreement.

Acceleration; Annulment of Acceleration; Default Rate

(a) Upon the occurrence of an Event of Default under Section 10.1(a)(v) of the Loan Agreement, all Bonds Outstanding shall become immediately due and payable without action or notice of any kind on the part of the Trustee or the Issuer. Upon the occurrence and continuance of an Event of Default, the Trustee shall, by notice in writing delivered to the Issuer and the University, declare all Bonds Outstanding immediately due and payable, and such Bonds shall become and be immediately due and payable, anything in the Bonds or in the Indenture to the contrary notwithstanding. In such event, there shall be due and payable on the Bonds an amount equal to the total principal amount of all such Bonds, plus all interest accrued thereon and which will accrue thereon to the date of payment. If all of the Bonds Outstanding shall become so immediately due and payable, the Issuer and the Trustee shall as soon as possible declare by written notice to the University all unpaid installments payable by the University under Section 5.3(a) of the Loan Agreement to be immediately due and payable.

(b) 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 Indenture, the Trustee may annul such declaration and its consequences with respect to any Bonds not then due by their terms if (i) moneys shall have been deposited in the Bond Fund sufficient to pay all matured installments of interest and principal, Sinking Fund Payments, or the Redemption Price (other than principal then due only because of such declaration) of all Outstanding Bonds; (ii) sufficient moneys shall be available to pay the amounts described in Section 9.02 of the Indenture; (iii) all other amounts then payable by the Issuer under the Indenture shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee; and (iv) every other Event of Default known to the Trustee (other than a default in the payment of the principal of such Bonds then due only because of such declaration) shall have been remedied to the satisfaction of the Trustee. No such annulment shall extend to or affect any subsequent Event of Default or impair any right consequent thereon.

(c) Upon the occurrence and continuation of an Event of Default, the Bonds shall bear interest at the Default Rate from the date of the occurrence of such Event of Default until the Bonds have been paid pursuant to Section 8.02(a) of the Indenture or such Event of Default has been cured.

Enforcement of Remedies

(a) Upon the occurrence and continuance of any Event of Default, and upon being provided with security or indemnity reasonably satisfactory to the Trustee against any liability or expense which might thereby be incurred, the Trustee shall proceed forthwith to protect and enforce its rights and the rights of the Owners under the Act, the Bonds and the Loan Agreement by such suits, actions or proceedings as the Trustee, being advised by counsel, shall deem expedient.

(b) The Trustee acting directly may sue for, enforce payment of and receive any amounts due or becoming due from the Issuer or the University for principal, Redemption Price, interest or otherwise under any of the provisions of the Bonds and the

Bond Documents, without prejudice to any other right or remedy of the Trustee or of the Owners.

(c) Regardless of the happening of an Event of Default, the Trustee shall have the right to institute and maintain such suits and proceedings as it may be advised by such Owners shall be necessary or expedient (i) to prevent any impairment of the security under the Indenture by any acts which may be unlawful or in violation of the Indenture or of any resolution authorizing the Bonds, or (ii) to preserve or protect the interests of the Owners, provided that such request is in accordance with law and the provisions of the Indenture and is not unduly prejudicial to the interests of the Owners not making such request.

Appointment of Receivers

Upon the occurrence of an Event of Default and upon the filing of a suit or commencement of other judicial proceedings to enforce the rights of the Trustee or the Owners under the Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate and of the revenues and receipts thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

Application of Moneys

(a) The Net Proceeds received by the Trustee pursuant to any right given or action taken under the provisions of the Article VIII of the Indenture shall be, after paying the fees and expenses of the Trustee, deposited in the Bond Fund.

(b) All moneys in the Bond Fund during the continuance of an Event of Default shall be applied as follows:

(i) Unless the principal of all the Bonds shall have become due or shall have been declared due and payable,

FIRST - To the payment of all installments of the 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 particular installment of interest, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto without any discrimination or preference; and

SECOND - To the payment of the unpaid principal or Redemption Price, if any, of any of the Bonds or principal installments which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of the Indenture), in order of their due dates, with interest on such Bonds, at the rate or rates expressed thereon, from the respective dates upon which such Bonds became due and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal and interest due on such date, to the Persons entitled thereto without any discrimination or preference; and

THIRD - To the payment of the principal or Redemption Price of and interest on the Bonds as the same become due and payable; and

(ii) If the principal of all the Bonds shall have become due or shall have been declared due and payable, to the payment of the principal and interest (at the rate or rates expressed thereon) then due and unpaid upon all of 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; and

(iii) If the principal of all the Bonds shall have been declared due and payable and if such declaration shall thereafter have been annulled pursuant to provisions of Section 8.02(b) of the Indenture, the moneys shall be applied in accordance with the provisions of paragraph (i) of this summarized section.

(c) Whenever moneys are to be applied by the Trustee pursuant to the provisions of this summarized section, such moneys shall be applied at such time or times as the Trustee in its sole discretion shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. On the date fixed by the Trustee for application of such moneys, 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 application of any such moneys and of the fixing of any such date.

Remedies Vested in Trustee

Except as otherwise provided in Section 8.08(c) of the Indenture, all rights of action (including the right to file proof of claim) under the Indenture or under any of the Bonds may be enforced by the Trustee without possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto. Any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Owners of the Bonds. Subject to the provisions of Section 8.05 of the Indenture, any recovery of judgment shall be for the equal benefit of the Owners of the Outstanding Bonds.

Remedies Not Exclusive

No remedy conferred upon or reserved to the Trustee or to the Owners by the Indenture is intended to be exclusive of any other remedy. Each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Owners under the Indenture or now or thereafter existing at law or in equity or by statute.

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SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT

The Facility is to be subleased to the University pursuant to the Loan Agreement. Reference is made to the Loan Agreement for complete details of the terms thereof. The following is a brief summary of certain provisions of the Sublease Agreement and should not be considered a full statement thereof.

Renovation, Construction, Equipping and Furnishing of Facility

(a) The University agrees, and covenants and warrants to the Issuer, it has or will renovate, construct, equip and furnish the Projects in accordance with the Plans and Specifications.

(b) The University may revise the Plans and Specifications from time to time with the written approval of the Issuer, which approval may not be unreasonably withheld but may be subject to such conditions as the Issuer may deem appropriate.

(c) An interest in all materials, equipment, machinery and other items of Property incorporated or installed in the Projects shall vest in the University immediately upon the University's obtaining an interest in or title to the materials, equipment, machinery and other items of Property. The University shall execute, deliver and record or file all instruments necessary or appropriate so to vest an interest in the Projects and shall take all action necessary or appropriate to protect such interest against claims of any third Persons.

(d) The Issuer appoints the University its true and lawful agent, and the University accepts such agency to use the proceeds of the Series 2009 Bonds (i) to redeem the Series 1999 Bonds (ii) to renovate, construct, equip and furnish the 2009 Project in accordance with the Plans and Specifications, (iii) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions with any other Persons, and in general to do all things which may be requisite or proper, all for constructing the Improvements and acquiring and installing the Equipment with the same powers and with the same validity as the Issuer could do if acting on its own behalf, (iv) to pay interest on the Series 2009B Bonds during the construction period of the 2009 Project, and (v) to pay a portion of the costs of issuance of the Series 2009 Bonds. The University shall pay all fees, costs and expenses incurred in the construction and renovation of the Improvements and the acquisition and installation of the Equipment from funds made available therefor in accordance with the Loan Agreement, and shall ask, demand, sue for, levy, recover and receive all such sums or money, debts, dues and other demands whatsoever which may be due, owing and payable to the University under the terms of any contract, order, receipt, or writing in connection with the construction, renovation and completion of the Improvements and the acquisition and installation of the Equipment, and to enforce the provisions of any contract, agreement, obligation, bond or other performance security.

(e) Reserved.

(f) The University, as agent for the Issuer, shall comply with all provisions of the Labor Law, the Executive Law and the Civil Rights Law of the State applicable to the construction, renovation, equipping and furnishing of the Projects and shall include in all construction contracts all provisions that be required to be inserted therein by such provisions. The University shall comply with the relevant policies of the Issuer with respect to such laws, which are set forth as Exhibit B attached to the Loan Agreement. Except as provided in the preceding two sentences, the provisions of this summarized subsection do not create any obligations or duties not created by applicable law outside of the terms of the Loan Agreement.

Issuance of the Bonds; Disbursement of Bond Proceeds

In order to provide funds for payment of the Costs of the 2009 Project, together with other payments and incidental expenses in connection therewith, the Issuer agrees that it will authorize, issue, sell and cause the Bonds to be delivered on the terms set forth in the Indenture. Bond Proceeds shall be disbursed in accordance with the provisions of the Indenture and Section 4.3 of the Loan Agreement.

Application of Bond Proceeds

The Series 2009A Bond Proceeds shall be deposited in the Series 1999 Bond Redemption Account of the Project Fund and used to redeem the Series 1999 Bonds. Except as provided in Section 10.2(a)(ii) of the Loan Agreement, the Series 2009B Bond Proceeds, upon the written direction of an Authorized Representative of the University, and on the conditions provided for in the Indenture, shall be applied to pay only the following costs and items of expense paid by or on behalf of the Issuer on or after October 11, 2007 except as may otherwise be provided under the Tax Compliance Agreement or included in a resolution of the Board of Trustees of the University indicating an intent to reimburse the University for costs of the 2009 Project incurred prior to that date:

(i) the cost of preparing the Plans and Specifications (including any preliminary study or planning of the 2009 Project or any aspect thereof),

(ii) all costs of renovating, constructing, equipping and furnishing the 2009 Project (including environmental audits and architectural, engineering and supervisory services with respect to the 2009 Project),

(iii) all fees, taxes, charges and other expenses for recording or filing, as the case may be, any documents that the Issuer or the Trustee may deem desirable in order to protect or perfect any security interest contemplated by the Indenture,

(iv) interest payable on the Series 2009B Bonds during the 2009 Project Construction Period and interest payable during the Construction Period on such interim financing as the University may have secured with respect to the 2009 Project in contemplation of the issuance of the Bonds,

(v) all legal, accounting and any other fees, costs and expenses incurred in connection with the preparation, printing, reproduction, authorization, issuance, execution, sale and distribution of the Bonds and the Bond Documents and all other documents in connection herewith or therewith, with the acquisition of title to or an interest in the 2009 Project and with any other transaction contemplated by the Loan Agreement or the Indenture,

(vi) any administrative fee and fee for services of the Issuer,

(vii) reimbursement to the University for any of the above-enumerated costs and expenses.

Certificates of Completion

To establish the Completion Date, the University shall deliver to the Issuer and the Trustee a certificate signed by an Authorized Representative of the University (i) stating that the renovation, construction, equipping and furnishing of the 2009 Project to be paid for with Series 2009B Bond Proceeds has been substantially completed in accordance with the Plans and Specifications therefor; and (ii) stating that except for amounts retained in the Project Fund for the payment of incurred, but unpaid, items of the Costs of the 2009 Project or items when the University is then contesting the payment thereof, the payment for all labor, services, materials and supplies used in such renovation, construction, equipping and furnishing has been made or provided for. The University agrees to complete the renovation, construction, equipping and furnishing of the 2009 Project on or before September 30, 2012, unless such date has been extended by the Issuer. Such certificate shall further certify as to the determination of the Rebate Amount as provided in the Tax Compliance Agreement and the Indenture and shall direct the Trustee to make any transfer to, or make payments of amounts for deposit in, the Rebate Fund.

Completion by University

(a) In the event that the Net Proceeds of the Bonds are not sufficient to pay in full the redemption of the Series 1999 Bonds and costs of renovating, constructing, equipping and furnishing the 2009 Project in accordance with the Plans and Specifications, the University agrees to pay, for the benefit of the Issuer and the Trustee, all such sums as may be in excess of the Net Proceeds of the Bonds. The University shall execute, deliver and record or file such instruments as the Issuer or the Trustee may request in order to perfect or protect the Issuer's security interests contemplated by the Indenture.

(b) The University shall not be entitled to any reimbursement for such excess cost or expense from the Issuer or the Trustee or the Owner of the Bonds, nor shall it be entitled to any diminution or abatement of any other amounts payable by the University under the Loan Agreement.

Loan Payments and Other Amounts Payable

(a) The Issuer's total administrative fee is $159,263.55. The University shall pay to the Issuer on the Closing Date the remainder of the Issuer's administrative fee in the amount of $157,763.55 (at the time the University submitted its application, it paid $1,500 to the Issuer.) In addition, the University shall pay to the Issuer an initial compliance fee of $2,500 on the Closing Date, and thereafter the University shall pay to the Issuer an annual compliance fee of $1,000 on or before January 1 of each year commencing on January 1, 2010 and continuing through the term of the Loan Agreement. The University shall pay basic loan payments five (5) Business Days before each Debt Service Payment Date directly to the Trustee, in an amount equal to the Debt Service Payment becoming due and payable on the Bonds on such Debt Service Payment Date. The University's obligation to pay such basic loan payments shall be evidenced by the Promissory Note, substantially in the form attached hereto as Exhibit C.

(b) In addition to the Loan Payments pursuant to Section 5.3(a) of the Loan Agreement, throughout the Loan Term, the University shall pay to the Issuer as additional loan payments, within fifteen (15) days of the receipt of demand therefor, an amount equal to the sum of the expenses of the Issuer and the members thereof incurred (i) by reason of the Issuer's financing of the Projects, or (ii) in connection with the carrying out of the Issuer's duties and obligations under the Issuer Documents, the payment of which is not otherwise provided for under the Loan Agreement. The foregoing shall not be deemed to include any annual or continuing administrative or management fee beyond any initial administrative fee or fee for services rendered by the Issuer.

(c) In addition, the University shall pay as additional loan payments within fifteen (15) days after receipt of a written demand therefor the Ordinary Expenses and Extraordinary Expenses payable by the Issuer to the Trustee pursuant to and under the Indenture.

(d) The University, under the provisions of the Loan Agreement, agrees to make the above-mentioned payments in immediately available funds and without any further notice in lawful money of the United States of America. In the event the University shall fail timely to make any payment required in Section 5.3(a) of the Loan Agreement, the University shall pay the same together with all late payment penalties specified in the Bonds. In the event the University shall fail timely to make any payment required in Section 5.3(b) of the Loan Agreement, the University shall pay the same together with interest on such payment at the per annum rate of ten percent (10%), but in no event at a rate higher than the maximum lawful prevailing rate, from the date on which such payment was due until the date on which such payment is made.

Obligations of University Under the Loan Agreement Unconditional

The obligations of the University to make the payments required in Section 5.3 of the Loan Agreement, and to perform and observe any and all of the other covenants and agreements on its part contained in the Loan Agreement, shall be a general obligation of the University, and shall be absolute and unconditional irrespective of any defense or any rights of setoff, recoupment or counterclaim it may otherwise have against the Issuer. The University agrees it will not (i) suspend, discontinue or abate any payment required hereunder, (ii) fail to observe any of its other covenants or agreements in the Loan Agreement, or (iii) terminate the Loan Agreement for any cause whatsoever unless and until the Bonds, including premium, if any, and interest thereon, have been paid or provided for.

Subject to the foregoing provisions, nothing contained in this summarized section shall be construed to release the Issuer from the performance of any of the agreements on its part contained in the Loan Agreement or to affect the right of the University to seek reimbursement from, or institute any action against any party as the University may deem necessary to compel performance or recover damages for non-performance from such party.

Payment of Additional Moneys in Prepayment of Bonds

In addition to any other moneys required or permitted to be paid pursuant to the Loan Agreement, the University may, subject to the terms of the Indenture, pay moneys to the Trustee (i) to be applied as the prepayment of amounts to become due and payable by the University pursuant to Section 5.3(a) of the Loan Agreement and the Promissory Note, or (ii) to be used for the redemption or prepayment of any Bonds at such time or times and on such terms and conditions as is provided in such Bonds and in the Indenture. The University shall notify the Issuer and the Trustee in writing as to the purpose of any such payment.

Rights and Obligations of the University upon Prepayment of Bonds

In the event the Bonds shall have been paid in full prior to the termination of the Loan Agreement, or provision for such payment shall have been made in accordance with the Indenture, the Issuer, at the sole cost of the University, shall obtain and record or file appropriate terminations, discharges or releases of any security interest relating to the Projects or under the Indenture.

Maintenance and Modifications of Projects by University

(a) The University shall not abandon the Projects or cause or permit any waste to the Improvements. During the Loan Term, the University shall not remove any part of the Projects outside of the jurisdiction of the Issuer and shall (i) keep the Projects in as reasonably safe condition as its operations shall permit; (ii) make all necessary repairs and replacements to the Projects (whether ordinary or extraordinary, structural or nonstructural, foreseen or unforeseen); and (iii) operate the Projects in a sound and economic manner.

(b) With the written consent of the Issuer, which shall not be unreasonably withheld, the University, from time to time, may make any material structural additions, modifications or improvements to the Projects or any part thereof, provided (i) such actions do not adversely affect the structural integrity of the Projects, (ii) such actions do not materially impair the use of the Projects or materially decrease their value. All such additions, modifications or improvements made by the University shall become a part of the Projects.

Installation of Additional Equipment

Subject to the provisions of Section 8.10 of the Loan Agreement, the University or any permitted sublessee of the University from time to time may install additional machinery, equipment or other personal property in the Projects (which may be attached or affixed to the Projects), and such machinery, equipment or other personal property shall not become, or be deemed to become, a part of the Projects, provided that the acquisition and installation of such property is not financed from either the Project Fund or the Renewal Fund. The University from time to time may create or permit to be created any Lien on such machinery, equipment or other personal property. Further, the University from time to time may remove or permit the removal of such machinery, equipment and other personal property from the Projects, provided that any such removal of such machinery, equipment or other personal property shall not occur (i) if any Event of Default has occurred; or (ii) if any such removal shall adversely affect the structural integrity of the Projects or impair the overall operating efficiency of the Projects for the purposes for which it is intended, and provided further that, if any damage is occasioned to the Projects by such removal, the University agrees promptly to repair such damage at its own expense.

Insurance Required

At all times throughout the Loan Term, including, when indicated in the Loan Agreement, during the Construction Period, the University shall, at its sole cost and expense, maintain or cause to be maintained insurance covering the Projects against such risks and for such amounts as are customarily insured against by facilities of like size and type and shall pay, as the same become due and payable, all premiums with respect thereto, including, but not necessarily limited to:

(a) Insurance against loss or damage by fire, lightning and other casualties customarily insured against, with a uniform standard extended coverage endorsement, such insurance to be in an amount not less than the full replacement value of the completed Improvements, exclusive of footings and foundations, as determined by a recognized appraiser or insurer selected by the University, but in no event less than the principal amount of the Bonds. During the Construction Period, such policy shall be written in the so-called "Builder's Risk Completed Value Non-Reporting Form" and shall contain a provision granting the insured permission to complete and/or occupy.

(b) Workers' compensation insurance, disability benefits insurance and each other form of insurance which the University is required by law to provide, covering loss resulting from injury, sickness, disability or death of employees of the University who are located at or assigned to the Projects. This coverage shall be in effect from and after the Completion Date or on such earlier date as any employees of the University first occupy the Projects.

(c) Insurance protecting the Issuer, the Trustee and the University against loss or losses from liability imposed by law or assumed in any written contract (including the contractual liability assumed by the University under Section 8.2 of the Loan Agreement) and arising from personal injury, including bodily injury or death, or damage to the property of others, caused by an accident or occurrence with a limit of liability of not less than $1,000,000 (combined single limit for personal injury, including bodily injury or death, and property damage) and with a blanket excess liability coverage in an amount not less than $5,000,000 protecting the Issuer, the Trustee and the University against any loss or liability or damage for personal injury, including bodily injury or death, or property damage. This coverage shall also be in effect during the Construction Period.

(d) During the Construction Period (and for at least one year thereafter in the case of Products and Completed Operations as set forth below), the University shall cause the general contractor to carry liability insurance of the type and providing the minimum limits set forth below:

(i) Workers' compensation and employer's liability with limits in accordance with applicable law.

(ii) Comprehensive general liability providing coverage for:

Premises and Operations
Products and Completed Operations
Owners Protective
Contractors Protective
Contractual Liability
Personal Injury Liability
Broad Form Property Damage
(including completed operations)
Explosion Hazard
Collapse Hazard
Underground Property Damage Hazard

Such insurance shall have a limit of liability of not less than $1,000,000 (combined single limit for personal injury, including bodily injury or death, and property damage).

(iii) Business auto liability, including all owned, non-owned and hired autos, with a limit of liability of not less than $1,000,000 (combined single limit for personal injury, including bodily injury or death, and property damage).

(iv) Excess "umbrella" liability providing liability insurance in excess of the coverage's in (i), (ii) and (iii) above with a limit of not less than $5,000,000.

Additional Provisions Respecting Insurance

(a) All insurance required by Section 6.4 of the Loan Agreement shall be procured and maintained in financially sound and generally recognized responsible insurance companies selected by the entity required to procure the same and authorized to write such insurance in the State. The company issuing the policies required by Section 6.4(a) of the Loan Agreement shall be rated "A" or better by A.M. Best Co., Inc. Such insurance may be written with deductible amounts comparable to those on similar policies carried by other companies engaged in businesses similar in size, character and other respects to those in which the procuring entity is engaged. All policies evidencing the insurance required by Section 6.4(a) of the Loan Agreement shall provide for payment to the Trustee of the Net Proceeds of insurance resulting from any claim for loss or damage thereunder, and all policies of insurance required by Section 6.4 of the Loan Agreement shall provide for at least thirty (30) days' prior written notice of the restriction, cancellation or modification thereof to the Issuer and the Trustee. The policy evidencing the insurance required by Section 6.4(c) of the Loan Agreement shall name the Issuer and the Trustee as additional named insureds. All policies evidencing the insurance required by Sections 6.4(d)(ii) and (iv) shall name the Issuer and the University as additional named insureds. Upon request of the Trustee, the University will assign and deliver to the Trustee the policies of insurance required under Section 6.4(a), so and in such manner and form that the Trustee shall at all times, upon such request and until the payment in full of the Bonds, have and hold said policies and the Net Proceeds thereof as collateral for the payment of the Bonds. The policies under Section 6.4(a) shall contain appropriate waivers of subrogation.

(b) The policies (or certificates or binders) of insurance required by Section 6.4(a) of the Loan Agreement shall be deposited with the Trustee on or before the Closing Date. A copy of the policy (or certificate or binder) of insurance required by Section 6.4(c) hereof shall be delivered to the Issuer on or before the Closing Date. A copy of the policies (or certificates or binders) of insurance required by Sections 6.4(d)(ii) and (iv) of the Loan Agreement shall be delivered to the Issuer on or before the Closing Date. The University shall deliver to the Issuer and the Trustee before the first Business Day of each twelve (12) month period thereafter a certificate dated not earlier than the immediately preceding month reciting that there is in full force and effect, with a term covering at least the next succeeding twelve (12) month period, insurance of the types and in the amounts required by Section 6.4 of the Loan Agreement and complying with the additional requirements of Section 6.5(a) of the Loan Agreement. Prior to the expiration of each such policy or policies, the University shall furnish to the Issuer and the Trustee a new policy or policies of insurance or evidence that such policy or policies have been renewed or replaced or are no longer required by the Loan Agreement. The University shall provide such further information with respect to the insurance coverage required by the Loan Agreement as the Issuer and the Trustee may from time to time reasonably require.

Application of Net Proceeds of Insurance

The Net Proceeds of the insurance carried pursuant to the provisions of Section 6.4 of the Loan Agreement shall be applied as follows: (i) the Net Proceeds of the insurance required by Section 6.4(a) of the Loan Agreement shall be applied as provided in Section 7.l of the Loan Agreement f, and (ii) the Net Proceeds of the insurance required by Sections 6.4(b), (c) and (d) of the Loan Agreement shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds may be paid.

Damage or Destruction of the Facility

(a) If any portion of the Projects shall be damaged or destroyed (in whole or in part) at any time during the Loan Term:

> (i) the Issuer shall have no obligation to replace, repair, rebuild, restore or relocate the Projects or any project thereof comprising a portion of the Projects; and
>
> (ii) there shall be no abatement or reduction in the Loan Payments or other amounts payable by the University under the Loan Agreement (whether or not such project comprising a portion of the Projects replaced, repaired, rebuilt, restored or relocated); and
>
> (iii) upon the occurrence of such damage or destruction, the Net Proceeds derived from the insurance shall be paid to the Trustee and deposited in the Renewal Fund, and, except as otherwise provided in Section 11.1 and subsection 7.1(f) of the Loan Agreement, the University shall at its option either (A) replace, repair, rebuild, restore or relocate such project comprising a portion of the Projects, or (B) redeem a principal amount of Bonds equal to such Net Proceeds in accordance with the Indenture.

If the University replaces, repairs, rebuilds, restores or relocates the Projects, the Trustee shall disburse the Net Proceeds from the Renewal Fund in the manner set forth in Section 4.07 of the Indenture to pay or reimburse the University for the cost of such replacement, repair, rebuilding, restoration or relocation.

(b) Any such replacements, repairs, rebuilding, restorations or relocations shall be subject to the following conditions:

> (i) such project comprising a portion of the Projects shall be in substantially the same condition and value as an operating entity as existed prior to the damage or destruction;
>
> (ii) such project comprising a portion of the Projects shall continue to constitute a "project" as such term is defined in the Indenture, and the exclusion of the interest on the Bonds from gross income for

Federal income tax purposes shall not, in the opinion of Bond Counsel, be adversely affected;

(iii) such project comprising a portion of the Projects will be subject to no Liens, other than Permitted Encumbrances; and

(iv) any other conditions the Issuer may reasonably impose.

(c) All such repair, replacement, rebuilding, restoration or relocation of such project comprising a portion of the Projects shall be effected with due diligence in a good and workmanlike manner in compliance with all applicable legal requirements and be promptly and fully paid for by the University in accordance with the terms of the applicable contracts.

(d) If the University elects to replace, repair, rebuild, restore or relocate the Projects pursuant to the Loan Agreement, then in the event such Net Proceeds are not sufficient to pay in full the costs of such replacement, repair, rebuilding, restoration or relocation, the University shall nonetheless complete the work and pay from its own moneys that portion of the costs thereof in excess of such Net Proceeds. All such replacements, repairs, rebuilding, restoration or relocations made pursuant to this summarized section, whether or not requiring the expenditure of the University's own money, shall automatically become a part of the Projects as if the same were specifically described in the Loan Agreement.

(e) Any balance of such Net Proceeds remaining in the Renewal Fund after payment of all costs of replacement, repair, rebuilding, restoration or relocation shall, subject to any rebate required to be made to the Federal government pursuant to the Indenture or the Tax Compliance Agreement, be used to redeem the Bonds as provided in the Indenture.

(f) If the University shall exercise its option to terminate the Loan Agreement pursuant to Section 11.1 of the Loan Agreement, such Net Proceeds shall be applied to the payment of the amounts required to be paid by Section 11.2 of the Loan Agreement. If an Event of Default under the Loan Agreement shall have occurred and is continuing and the Trustee shall have exercised its remedies under Section 10.2 the Loan Agreement, such Net Proceeds shall be applied to the payment of the amounts required to be paid by Section 10.2 and Section 10.4 the Loan Agreement.

(g) If the entire amount of the Bonds and interest thereon has been fully paid, or provision therefor has been made in accordance with the Indenture, all such remaining Net Proceeds shall be paid to the University.

(h) Except upon the occurrence and continuation of an Event of Default, the University with the consent of the Issuer, not to be withheld unreasonably, shall have the right to settle and adjust all claims under any policies of insurance required by Sections 6.4(a) and (d) of the Loan Agreement on behalf of the Issuer and on its own behalf.

Condemnation

(a) If title to or use of the Projects or any portion thereof comprising a portion of the Projects shall be taken by Condemnation (in whole or in part) at any time during the Loan Term:

(i) the Issuer shall have no obligation to replace, repair, rebuild, restore or relocate such project comprising a portion of the Projects or acquire, by construction or otherwise, facilities of substantially the same nature as the Projects ("Substitute Projects"); and

(ii) there shall be no abatement or reduction in the amounts payable by the University under the Loan Agreement (whether or not such project comprising a portion of the Projects is replaced, repaired, rebuilt, restored or relocated or Substitute Facilities acquired); and

(iii) upon the occurrence of such Condemnation, the Net Proceeds derived therefrom shall be paid to the Trustee and deposited in the Renewal Fund, and, except as otherwise provided in Section 11.1 and subsection (f) of the Loan Agreement, the University shall either:

(A) replace, repair, rebuild, restore or relocate such project comprising a portion of the Projects or acquire Substitute Projects, or

(B) redeem an amount of Bonds equal to the Net Proceeds in accordance with Section 3.01 of the Indenture.

If the University replaces, repairs, rebuilds, restores or relocates such project comprising a portion of the Projects or acquires Substitute Projects, the Trustee shall disburse the Net Proceeds from the Renewal Fund in the manner set forth in Section 4.07 of the Indenture to pay or reimburse the University for the cost of such replacement, repair, rebuilding, restoration, relocation or acquisition of Substitute Projects.

(b) Any such replacements, repairs, rebuilding, restorations, relocations or acquisitions of Substitute Projects shall be subject to the following conditions:

(i) such project comprising a portion of the Projects or the Substitute Projects shall be in substantially the same condition and value as an operating entity as existed prior to the condemnation;

(ii) such project comprising a portion of the Projects or the Substitute Facilities shall continue to constitute a "project" as such term is defined in the Act, and the exclusion of the interest on the Bonds from gross income for Federal income tax purposes shall not, in the opinion of Bond Counsel, be adversely affected;

(iii) such project comprising a portion of the Projects or the Substitute Projects will be subject to no Liens, other than Permitted Encumbrances; and

(iv) any other conditions the Issuer may reasonably impose.

(c) All such repair, replacement, rebuilding, restoration or relocation of such project comprising a portion of the Projects shall be effected with due diligence in a good and workmanlike manner in compliance with all applicable legal requirements and shall be promptly and fully paid for by the University in accordance with the terms of the applicable contracts.

(d) If the University elects to replace, repair, rebuild, restore or relocate pursuant to the Loan Agreement, then in the event such Net Proceeds are not sufficient to pay in full the costs of such replacement, repair, rebuilding, restoration, relocation or acquisition of Substitute Projects, the University shall nonetheless complete the work or the acquisition and pay from its own moneys that portion of the costs thereof in excess of such Net Proceeds. All such replacements, repairs, rebuilding, restoration, relocations and such acquisition of Substitute Projects made pursuant to the Loan Agreement, whether or not requiring the expenditure of the University's own money, shall automatically become a part of the Projects as if the same were specifically described in the Loan Agreement.

(e) Any balance of such Net Proceeds remaining in the Renewal Fund after payment of all costs of replacement, repair, rebuilding, restoration, relocation or acquisition of Substitute Projects shall, subject to any rebate required to be made to the Federal government pursuant to the Indenture or the Tax Compliance Agreement, be used to redeem the Bonds as provided in the Indenture.

(f) If the University shall exercise its option to terminate the Loan Agreement pursuant to Section 11.1 of the Loan Agreement, such Net Proceeds shall be applied to the payment of the amounts required to be paid by Section 11.2 of the Loan Agreement. If any Event of Default hereunder shall have occurred and is continuing and the Trustee shall have exercised its remedies under Section 10.2 of the Loan Agreement, such Net Proceeds shall be applied to the payment of the amounts required to be paid by Sections 10.2 and 10.4 of the Loan Agreement.

(g) If the entire amount of the Bonds and interest thereon has been fully paid, or provision therefor has been made in accordance with the Indenture, all such remaining Net Proceeds shall be paid to the University.

(h) Except upon the occurrence and continuation of an Event of Default, the University with the consent of the Issuer, not to be unreasonably withheld, shall have the right to settle and adjust all claims under any Condemnation proceedings on behalf of the Issuer and on its own behalf.

Hold Harmless Provisions

(a) The University agrees that the Issuer, the Trustee and each Paying Agent shall not be liable for and agrees to defend, indemnify, release and hold the Issuer, the Trustee and each Paying Agent harmless from and against any and all (i) liability for loss or damage to Property or injury to or death of any and all Persons that may be occasioned by, directly or indirectly, any cause whatsoever pertaining to the Projects or arising by reason of or in connection with the occupation or the use thereof or the presence of any Person or Property on, in or about the Projects or the Land, or (ii) liability arising from or expense incurred in connection with the Issuer's financing, construction, renovation, equipping, leasing and subleasing of the Projects, including without limiting the generality of the foregoing, all claims arising from the breach by the University of any of its covenants contained in the Loan Agreement, the exercise by the University of the authority conferred upon it pursuant to Section 4.1(d) of the Loan Agreement and all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing, provided that any such losses, damages, liabilities or expenses of the Issuer, the Trustee or any Paying Agent are not incurred or do not result from the gross negligence or intentional or willful wrongdoing of the Issuer, the Trustee or any Paying Agent or any of their respective members, directors, trustees, officers, agents or employees. The foregoing indemnities shall apply notwithstanding the fault or negligence in part of the Issuer, the Trustee or any Paying Agent, or any of their respective members, directors, trustees, officers, agents or employees, and irrespective of the breach of a statutory obligation (other than a breach caused by any of their respective gross negligence or intentional or willful wrongdoing) or the application of any rule of comparative or apportioned liability. The foregoing indemnities are limited only to the extent of any prohibitions imposed by law.

(b) Notwithstanding any other provisions of the Loan Agreement, the obligations of the University pursuant to this summarized section shall remain in full force and effect after the termination of the Loan Agreement until the expiration of the period stated in the applicable statute of limitations during which a claim, cause of action or prosecution relating to the matters described in the Loan Agreement may be brought and payment in full or the satisfaction of such claim, cause of action or prosecution relating to the matters described in the Loan Agreement and the payment of all expenses and charges incurred by the Issuer, the Trustee or their respective members, directors, officers, agents and employees, relating to the enforcement of the provisions specified in the Loan Agreement.

(c) In the event of any claim against the Issuer, the Trustee or any Paying Agent or their respective members, directors, officers, agents or employees by any employee or contractor of the University or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the obligations of the University hereunder shall not be limited in any way by any limitation on the amount or type of damages, compensation, disability benefits or other employee benefit acts.

(d) The Trustee and each Paying Agent shall be third party beneficiaries of the University's obligations under this summarized section.

Right to Inspect Projects

The Issuer and the Trustee and the duly authorized agents of either of them shall have the right at all reasonable times upon prior notice to the University to inspect the Projects.

University to Maintain Its Existence

The University agrees that during the Loan Term (a) it will maintain its existence as a not-for-profit corporation constituting an Exempt Organization subject to service of process within the State; (b) it will preserve its status as an organization described in Section 501(c)(3) of the Code; (c) it will at all times maintain cash balances, or balances of cash equivalents, in an amount not less than the maximum amount of interest owing on the outstanding Bonds in any semi-annual period; (d) it will operate as an institution of higher learning and will establish tuition and fees for services provided by the University which, together with other available funds, will be sufficient in each fiscal year to provide funds for the following: (1) the payment by the University of all of its expenses for the operation, maintenance and repair of its facilities or Projects in such year; (2) the payment of all amounts due under the Loan Agreement in such year; and (3) the payment of all indebtedness and all other obligations of the University due in such year; and (e) it will not perform any act, enter into any agreement, or use or permit the Projects to be used in any manner or for any unrelated trade or business as described in Section 513(a) of the Code, which could adversely affect the exemption of interest on the Bonds from Federal income taxes pursuant to Section 103 and 145 of the Code. Prior to the University performing any act, entering into any agreement or using or permitting the Projects to be used in any manner that would constitute an unrelated trade or business within the meaning of Section 513(a) of the Code, the University shall provide written notice to the Issuer and the Trustee and the Issuer and the Trustee shall receive an opinion of counsel satisfactory to each of them to the effect that such contemplated act, agreement or use will not adversely affect the exemption of interest on the Bonds for Federal income tax purposes.

Qualification in State

The University throughout the Loan Term shall continue to be duly authorized to do business in the State as an entity of higher education.

Books of Record and Account; Financial Statements

The University at all times agrees to maintain proper accounts, records and books in which full and correct entries shall be made, in accordance with generally accepted accounting principles, of all transactions and events relating to the business and affairs of the University.

Compliance with Orders, Ordinances, Etc.

(a) The University, throughout the Loan Term, agrees that it will promptly comply, and take all reasonable steps to cause any tenant or occupant of the Projects to comply, with all statutes, codes, laws, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions and requirements, ordinary or extraordinary, which now or at any time hereafter may be applicable to the Projects or any part thereof or to the acquisition, renovation, construction and equipping thereof, or to any use, manner of use or condition of the Projects or any part thereof, of all federal, state, county, municipal and other governments, departments, commissions, boards, courts, authorities, officials and officers having jurisdiction of the Projects or any part thereof, or to the acquisition, renovation, construction, equipping and furnishing thereof, or to any use, manner of use or condition of the Projects or any part thereof and of all companies or associations insuring the premises.

(b) The University shall keep or cause the Projects to be kept free of Hazardous Substances, except in compliance with applicable law. Without limiting the foregoing, the University shall not cause or permit the Projects to be used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce or process Hazardous Substances, except in compliance with all applicable federal, state and local laws, regulations and permits, nor shall the University cause or permit, as a result of any intentional or unintentional act or omission on the part of the University or any contractor, subcontractor, tenant or subtenant, a release of Hazardous Substances onto the Projects or onto any other property. The University shall comply with and shall take all reasonable steps to ensure compliance by all contractors, subcontractors, tenants and subtenants with all applicable federal, state and local laws, ordinances, rules and regulations, whenever and by whomever triggered, and shall obtain and comply with, and shall take all reasonable steps to ensure that all contractors, subcontractors, tenants and subtenants obtain and comply with, any and all approvals, registrations or permits required thereunder. The University shall (a) conduct and complete all investigations, studies, sampling, and testing, and all remedial, removal, and other actions necessary to clean up and remove all Hazardous Substances, on, from, or affecting the Projects (i) in accordance with all applicable federal, state, and local laws, ordinances, rules, regulations, and policies, (ii) to the reasonable satisfaction of the Trustee and the Issuer, and (iii) in accordance with the orders and directives of all federal, state, and local governmental authorities; and (b) defend, indemnify, and hold harmless the Trustee and the Issuer, their employees, agents, officers, and directors, from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs, or expenses of whatever kind or nature, known or unknown, contingent or otherwise, arising out of, or in any way related to (i) the presence, disposal, release, or threatened release of any Hazardous Substances which are on, from or affecting the soil, water, vegetation, buildings, personal property, persons, animals, or otherwise, (ii) any bodily injury, personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Substances, (iii) any lawsuit brought or threatened, settlement reached, or government order relating to such Hazardous Substances, and/or (iv) any violation of laws, orders, regulations, requirements, or demands of government authorities, or any policies or requirements of the Trustee and the Issuer, which are based upon or in any way related to such Hazardous Substances, including, without limitation, reasonable attorney and consultant fees, reasonable investigation and laboratory fees, court costs, and reasonable litigation expenses. The provisions of this summarized section shall be in addition to any and all other obligations and liabilities the University may have to the Trustee at common law, and shall survive the transactions contemplated in the Loan Agreement.

(c) Notwithstanding the provisions of subsections (a) and (b) of this summarized section, the University may in good faith contest the validity or the applicability of any requirement of the nature referred to in such subsections (a) and (b) by appropriate legal proceedings conducted in good faith and with due diligence. In such event, the University may fail to comply with the requirement or requirements so contested during the period of such contest and any appeal therefrom, unless the Issuer or the Trustee shall notify the University that by failure to comply with such requirement or requirements, the Projects or any part thereof may be subject to loss, penalty or forfeiture, in which event the University shall promptly take such action with respect thereto or provide such security as shall be satisfactory to the Trustee and to the Issuer. If at any time the then existing use or occupancy of the Projects shall, pursuant to any zoning or other law, ordinance or regulation, be permitted only so long as such use or occupancy shall continue, the University shall use all reasonable efforts to not cause or permit such use or occupancy to be discontinued without the prior written consent of the Issuer and the Trustee.

(d) Notwithstanding the provisions of this summarized section, if, because of a breach or violation of the provisions of subsections (a) or (b) hereof (without giving effect to summarized subsection (c)), either the Issuer, the Trustee, or any of their respective members, directors, officers, agents, or employees, shall be threatened with a fine, liability, expense or imprisonment, then, upon notice from the Issuer or the Trustee, the University shall immediately provide legal protection and/or pay amounts necessary in the opinion of the Issuer or the Trustee, as the case may be, and their respective members, directors, officers, agents and employees deem sufficient, to the extent permitted by applicable law, to remove the threat of such fine, liability, expense or imprisonment.

(e) Notwithstanding any provisions of this summarized section, the Trustee and the Issuer retain the right to defend themselves in any action or actions which are based upon or in any way related to such Hazardous Substances. In any such defense of themselves, the Trustee and the Issuer shall each select their own counsel, and any and all reasonable costs of such defense, including, without limitation, reasonable attorney and consultant fees, reasonable investigation and laboratory fees, court costs, and reasonable litigation expenses, shall be paid by the University.

Discharge of Liens and Encumbrances

(a) The University, throughout the Loan Term, shall not permit or create or suffer to be permitted or created any Lien, except for Permitted Encumbrances, upon the Projects or any part thereof by reason of any labor, services or materials rendered or supplied or claimed to be rendered or supplied with respect to the Projects or any part thereof.

(b) Notwithstanding the provisions of subsection (a) hereof, the University may in good faith contest any such Lien. In such event, the University may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom, unless the Issuer or the Trustee shall notify the University that by nonpayment of any such item or items, the Projects or any part thereof may be subject to loss or forfeiture, in which event the University shall promptly secure payment of all such unpaid items by filing a bond, in form and substance satisfactory to the Issuer, thereby causing such Lien to be removed or by taking such other actions as may be satisfactory to the Issuer to protect its interests. Mechanics' Liens shall be discharged or bonded within ninety (90) days following the University's receipt of notice of the filing or perfection thereof.

Additional Encumbrances and Indebtedness

The University may issue additional long term debt provided that the maximum annual debt service on all Outstanding Debt (as defined below) (including the Bonds) shall not exceed 10% of the University's unrestricted revenues, gains and other support determined in accordance with generally accepted accounting principles in the last completed fiscal year of the University. Furthermore, the University may issue long term debt subject to a lien on the Projects provided that the maximum annual debt service on all Outstanding Debt (as defined below) (including the Bonds) shall not exceed 10% of the University's unrestricted revenues, gains and other support determined in accordance with generally accepted accounting principles in the last completed fiscal year of the University. For purposes of this summarized section,

> (i) "Outstanding Debt" shall include all outstanding indebtedness of the University, including parity, senior and subordinate debt, but shall not include non-recourse debt, and
>
> (ii) in calculating the debt service requirements on balloon and demand debt, if such debt is backed by a commitment to provide liquidity from a commercial bank rated "A" or better by S&P and/or Moody's, then debt service may be calculated based on the terms of the commitment's repayment provisions; and, further, if the University covenants to maintain Net Assets Less Net Fixed Assets (as defined below) equal to 100% of such balloon or demand debt, then debt service may be calculated assuming a 15-year amortization.

"Net Assets Less Net Fixed Assets" shall mean the unrestricted net assets of the University less the University's "Net Fixed Assets". "Net Fixed Assets" shall mean the asset value of the land, buildings and equipment, net of accumulated depreciation, of the University less the long-term debt of the University.

Notwithstanding the above covenant, the University may incur short-term debt (i.e., debt issued and retired within a fiscal year) equal to 10% of the University's unrestricted revenues, gains and other support regardless of the test above; provided that such short-term debt is fully retired for at least 30 days in each fiscal year.

Certain Additional Covenants

(a) The University agrees to furnish to the Issuer and the Trustee, and, upon written request to the University, to any registered Bondholder of $1,000,000 in aggregate principal amount of Bonds, as soon as available and in any event within one hundred twenty (120) days after the close of each fiscal year of the University, a copy of the annual audited financial statements of the University, including statements of financial position as of the end of such year, and the related statement of activities for such fiscal year, prepared in accordance with generally accepted accounting principles, audited by a firm of independent certified public accountants.

(b) The University shall deliver to the Issuer and the Trustee with each delivery of annual financial statements required by Section 8.14(a) of the Indenture, a certificate of an Authorized Representative of the University as to whether or not, as of the close of such preceding fiscal year of the University, and at all times during such fiscal year, the University was in compliance with all the provisions which related to the University in the Bond Documents, and if such Authorized Representative of the University shall have obtained knowledge of any default in such compliance or notice of such default, he shall disclose in such certificate, such default or defaults or notice thereof and the nature thereof, whether or not the same shall constitute an Event of Default hereunder, and any action proposed to be taken by the University with respect thereto.

(c) The University shall immediately notify the Issuer and the Trustee of the occurrence of any default or any event which with notice and/or lapse of time would constitute a default under the Loan Agreement or any of the other Bond Documents. Any notice required to be given pursuant to this summarized subsection shall be signed by an Authorized Representative of the University and set forth a description of the default and the steps, if any, being taken to cure said default. If no steps have been taken, the University shall state this fact on the notice.

(d) The University will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered such further acts, instruments, conveyances, transfers and assurances, at the sole cost and expense of the university, as the Issuer or the Trustee deems necessary or advisable for the implementation, effectuation, correction, confirmation or perfection of the Loan Agreement and any rights of the Issuer or the Trustee under Loan Agreement or under the Indenture.

Continuing Disclosure Agreement

The University has executed and delivered to the Trustee a Continuing Disclosure Agreement, dated the date of initial delivery of the Bonds. The University covenants and agrees with the holders from time to time of the Bonds that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement, as amended from time to time, applicable to it. Notwithstanding any other provision of the Loan Agreement, failure of the University to comply with the Continuing Disclosure Agreement shall not be considered a default or an event of default under the Loan Agreement and the rights and remedies provided by the Loan Agreement upon the occurrence of such a default or an event of default shall not apply to any such failure, but the Continuing Disclosure Agreement may be enforced only as provided therein.

Securities Law Status

The University affirmatively represents, warrants and covenants that, as of the date of the Loan Agreement, it is an organization organized and operated: (i) exclusively for civic or charitable purposes; (ii) not for pecuniary profit; and (iii) no part of the net earnings of which inure to the benefit of any person, private stockholder or individual, all within the meaning, respectively, of the Securities Act of 1933, as amended, and of the Securities Exchange Act of 1934, as amended. The University agrees that it shall not perform any act nor enter into any agreement which shall change such status as set forth in this summarized section.

Rebate Covenant

The University covenants to make, or cause to be made, any and all payments required to be made to the United States Department of the Treasury in connection with the Bonds pursuant to Section 148(f) of the Code and to comply with instructions received from Bond Counsel pursuant to the certification with respect to the making of any such payments.

Assignment, Leasing and Subleasing

(a) The Loan Agreement may not be assigned, in whole or in part, and except in the ordinary course of the operations of the University, including without limitations, leases of dorm rooms to students, the Projects may not be leased, in whole or in part, without the prior written consent of the Issuer in each instance. Any assignment or lease shall be on the following conditions:

(i) no assignment or lease shall relieve the University from primary liability for any of its obligations under the Loan Agreement or under any other of the University Documents;

(ii) the assignee or lessee shall assume the obligations of the University hereunder to the extent of the interest assigned or leased, shall be jointly and severally liable with the University for the performance thereof and shall be subject to service of process in the State of New York;

(iii) the University shall, within ten (10) days after the delivery thereof, furnish or cause to be furnished to the Issuer and to the Trustee a true and complete copy of such assignment or lease and the instrument of assumption;

(iv) neither the validity nor the enforceability of the Bonds or any Bond Document shall be adversely affected thereby;

(v) the exclusion of the interest on the Bonds from gross income for Federal income tax purposes will not be adversely affected;

(vi) the assignee or lessee shall be an Exempt Organization and shall utilize the Projects substantially in the same manner as the University as facilities of higher education.

(b) If the Trustee or the Issuer shall so request, as of the purported effective date of any assignment or lease pursuant to subsection (a) of this summarized section, the University, at its sole cost, shall furnish the Trustee or the Issuer, as appropriate, with an opinion, in form and substance satisfactory to the Trustee or the Issuer, as appropriate, (i) of Bond Counsel as to items (v) and (vi) above, and (ii) of Independent Counsel as to items (i), (ii) and (iv) above.

Merger of Issuer

(a) Nothing contained in the Loan Agreement shall prevent the consolidation of the Issuer with, or merger of the Issuer into, or transfer of its interest in the entire Projects to any other public benefit corporation or political subdivision which has the legal authority to enter into the Loan Agreement, provided that:

(i) upon any such consolidation, merger or transfer, the due and punctual performance and observance of all the agreements and conditions of the Loan Agreement to be kept and performed by the Issuer shall be expressly assumed in writing by the public benefit corporation or political subdivision resulting from such consolidation or surviving such merger or to which the Issuer's interest in the Projects shall be transferred; and

(ii) the exclusion of the interest on the Bonds from gross income for Federal income tax purposes shall not be adversely affected thereby.

(b) Within thirty (30) days after the consummation of any such consolidation, merger or transfer of interest, the Issuer shall give notice thereof in reasonable detail to the University and the Trustee and shall furnish to the University and the Trustee (i) a favorable opinion of Independent Counsel as to compliance with the provisions of Section 9.5(a)(i) of the Loan Agreement, and (ii) a favorable opinion of Bond Counsel opining as to compliance with the provisions of Section 9.5(a)(ii) of the Loan Agreement. The Issuer promptly shall furnish such additional information with respect to any such transaction as the University or the Trustee may reasonably request.

Events of Default Defined

(a) The following shall be "Events of Default" under the Loan Agreement:

(i) the failure by the University to pay or cause to be paid on the date due, the amounts specified to be paid pursuant to Sections 5.3(a), (b) and (d) of the Loan Agreement;

(ii) the failure by the University to observe and perform any covenant contained in Sections 6.3, 6.4, 6.5, 8.2, 8.4, 8.5, 8.6, 8.8, 8.12, 8.13, 8.14, 8.15 and 9.3 of the Loan Agreement;

(iii) any representation or warranty of the University in the Loan Agreement or in the Bond Purchase Agreement shall prove to have been false or misleading in any material respect and the same shall have a materially adverse affect upon the University, the Projects, the qualification of the Projects as a "project" under the Act or the exclusion of interest on the Bonds from gross income for federal income tax purposes;

(iv) the failure by the University to observe and perform any covenant, condition or agreement under the Loan Agreement on its part to be observed or performed (except obligations referred to in 10.1(a)(i) or (ii)) for a period of thirty (30) days after receiving written notice, specifying such failure and requesting that it be remedied, given to the University by the Issuer or the Trustee; provided, however, that if such default cannot be cured within thirty (30) days but the University is proceeding diligently and in good faith to cure such default, then the University shall be permitted an additional ninety (90) days within which to remedy the default;

(v) the dissolution or liquidation of the University; or the failure by the University to release, stay, discharge, lift or bond within sixty (60) days any execution, garnishment, judgment or attachment of such consequence as may impair its ability to carry on its operations; or the failure by the University generally to pay its debts as they become due; or an assignment by the University for the benefit of creditors; the commencement by the University (as the debtor) of a case in Bankruptcy or any proceeding under any other insolvency law; or the commencement of a case in Bankruptcy or any proceeding under any other insolvency law against the University (as the debtor) and a court having jurisdiction in the premises enters a decree or order for relief against the University as the debtor in such case or proceeding, or such case or proceeding is consented to by the University or remains undismissed for sixty (60) days, or the University consents to or admits the material allegations against it in any such case or proceeding; or a trustee, receiver or agent (however named) is appointed or authorized to take charge of substantially all of the property of the University for the purpose of enforcing a lien against such Property or for the purpose of general administration of such Property for the benefit of creditors (the term "dissolution or liquidation of the University or the Guarantors" as used in this summarized subsection shall not be construed to include any transaction permitted by Section 8.4 hereof);

(vi) an Event of Default under or a default on the part of the University of its obligations under the Indenture or the Loan Agreement shall have occurred and be continuing;

(vii) the invalidity, illegality or unenforceability of any of the Bond Documents, provided the same does not permit the Issuer or the Trustee, as the case may be, to recognize the material benefits of the respective documents; or

(viii) a breach of any covenant or representation contained in Section 8.8 of the Loan Agreement with respect to environmental matters.

(b) Notwithstanding the provisions of Section 10.1(a) of the Loan Agreement, if by reason of force majeure any party to the Loan Agreement shall be unable in whole or in part to carry out its obligations under the Loan Agreement (other than its obligations under Section 5.3(a),(b) or (d) of the Loan Agreement) and if such party shall give notice and full particulars of such force majeure in writing to the other party and to the Trustee, within a reasonable time after the occurrence of the event or cause relied upon, such obligations under the Loan Agreement of the party giving such notice (and only such obligations), so far as they are affected by such force majeure, shall be suspended during continuance of the inability, which shall include a reasonable time for the removal of the effect thereof. The term "force majeure" as used in the Loan Agreement shall include, without limitation, acts of God, strikes, lockouts or other industrial disturbances, acts of public enemies, acts, priorities or orders of any kind of the government of the United States of America or of the State or any of their departments, agencies, governmental subdivisions, or officials, any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fire, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accident to machinery, transmission pipes or canals, shortages of labor or materials or delays of carriers, partial or entire failure of utilities, shortage of energy or any other cause or event not reasonably within the control of the party claiming such inability and not due to its fault. The party claiming such inability shall remove the cause for the same with all reasonable promptness. It is agreed that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the party having difficulty, and the party having difficulty shall not be required to settle any strike, lockout and other industrial disturbances by acceding to the demands of the opposing party or parties.

Remedies on Default

(a) Whenever any Event of Default shall have occurred, the Issuer or the Trustee may take, to the extent permitted by law, any one or more of the following remedial steps:

(i) declare, by written notice to the University, to be immediately due and payable, whereupon the same shall become immediately due and payable: (A) all unpaid Loan Payments payable pursuant to Section 5.3(a) of the Loan Agreement and pursuant to the Promissory Note in amount equal to the aggregate unpaid principal balance of all Bonds together with all interest which has accrued and will accrue thereon to the date of payment and all premium, if any, and (B) all other payments due under the Loan Agreement; provided, however, that if an Event of Default specified in Section 10.1(a)(v) of the Loan Agreement shall have occurred, such Loan Payments and other payments due under the Loan Agreement shall become immediately due and payable without notice to the University or the taking of any other action by the Trustee;

(ii) (a) apply any undisbursed money in the Project Fund and Renewal Fund to the payment of the costs and expenses incurred in connection with the enforcement of the rights and remedies of the Trustee and the Issuer, and (b) apply any undisbursed monies in the Project Fund, the Renewal Fund, and any other Fund or Account under the Indenture (other than those sums attributable to Unassigned Rights and except for the monies and investments from time to time in the Rebate Fund) to the payment of the outstanding principal amount of the Bonds and premium, if any, and accrued and unpaid interest on the Bonds; or

(iii) take any other action at law or in equity that may appear necessary or desirable to collect the payments then due or thereafter to become due hereunder and to enforce the obligations, agreements or covenants of the University under the Loan Agreement.

(b) [Reserved].

(c) Any sums payable to the Issuer as a consequence of any action taken pursuant to this summarized section (other than those sums attributable to Unassigned Rights and except for the moneys and investments from time to time in the Rebate Fund) shall be paid to the Trustee and applied to the payment of the Bonds.

(d) No action taken pursuant to this summarized section shall relieve the University from its obligation to make all payments required by Section 5.3 of the Loan Agreement and pursuant to the Promissory Note.

(e) [Reserved].

(f) The Issuer shall have all of the rights, powers and remedies of a secured party under the Uniform Commercial Code of New York, including, without limitation, the right to seize or otherwise dispose of any or all of the Collateral described in Section 5.7 of the Loan Agreement, and to receive the payment of or take possession of the Collateral or the proceeds thereof. Upon the occurrence of an Event of Default by the University under the Loan Agreement, the University agrees that it will not commingle any moneys or other proceeds received by it in connection with any Collateral with any other moneys, funds or accounts of the University.

Remedies Cumulative

No remedy conferred upon or reserved to the Issuer or the Trustee is intended to be exclusive of any other available remedy, but each and every such remedy shall be cumulative and in addition to every other remedy given under the Loan Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Trustee, as appropriate, to exercise any remedy reserved to it in Article X of the Loan Agreement, it shall not be necessary to give any notice, other than such notice as may be expressly required in the Loan Agreement.

Agreement to Pay Attorneys' Fees and Expenses

(a) In the event the University should default under any of the provisions of the Loan Agreement and the Issuer should employ attorneys or incur other expenses for the collection of amounts payable under the Loan Agreement or the enforcement of performance or observance of any obligations or agreements on the part of the University contained in the Loan Agreement, the University shall, on demand therefor, pay to the Issuer the reasonable fees of such attorneys and such other reasonable expenses so incurred.

(b) In the event the University should default under any of the provisions of the Loan Agreement and the Trustee should employ attorneys or incur other expenses for the collection of amounts payable under the Loan Agreement or the enforcement of performance or observance of any obligations or agreements on the part of the University contained in the Loan Agreement , the University shall, on demand therefor, pay to the Trustee the reasonable fees of such attorneys and such other reasonable expenses so incurred.

No Additional Waiver Implied by One Waiver

In the event any agreement contained in the Loan Agreement should be breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach under the Loan Agreement.

No Additional Waiver Implied by One Waiver

In the event any agreement contained in the Loan Agreement should be breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach under the Loan Agreement.

Early Termination of Loan Agreement

The University shall have the option to terminate the Loan Agreement at any time that the Bonds are subject to redemption in whole under the Indenture and upon filing with the Issuer and the Trustee a certificate signed by an Authorized Representative of the University stating the University's intention to do so pursuant to this summarized section and the date upon which such payment shall be made (which date shall not be less than forty-five (45) nor more than ninety (90) days from the date such certificate is filed) and upon compliance with the requirements set forth in Section 11.2 of the Loan Agreement.

Conditions to Early Termination of Loan Agreement

In the event the University exercises its option to terminate the Loan Agreement in accordance with the provisions thereof, the University shall make the following payments:

(a) To the Trustee for the account of the Issuer: an amount certified by the Trustee which, when added to the total amount on deposit with the Trustee for the account of the Issuer and the University and available for such purpose, will be sufficient to pay the principal of, Redemption Price of, and interest to maturity or the earliest practicable redemption date, as the case may be, on the Bonds, all expenses of redemption and the Trustee's fees and expenses.

(b) To the Issuer: an amount certified by the Issuer sufficient to pay all unpaid fees and expenses of the Issuer incurred under the Bond Documents.

(c) To the appropriate Person: an amount sufficient to pay all other fees, expenses or charges, if any, due and payable or to become due and payable under the Bond Documents.

APPENDIX C
Form of Opinion of Bond Counsel

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50 Jericho Quadrangle
Jericho, New York 11753-2728
(516) 832-7500
Fax: (516) 832-7555

Transcript Document No. 23

September 30, 2009

Town of Hempstead Local Development Corporation
Hempstead, New York

Merrill Lynch, Pierce, Fenner & Smith Incorporated
New York, New York

U.S. Bank National Association, as Trustee
New York, New York

Re: Town of Hempstead Local Development Corporation
$6,075,000 Revenue Refunding Bonds, Series 2009A
(Adelphi University Project)

Town of Hempstead Local Development Corporation
$25,000,000 Revenue Bonds, Series 2009B
(Adelphi University Project)

Ladies and Gentlemen:

We have acted as bond counsel to the Town of Hempstead Local Development Corporation (Town of Hempstead, New York) (the "Issuer") in connection with the issuance on the date hereof by the Issuer of its (i) Revenue Refunding Bonds, Series 2009A (Adelphi University Project) in the aggregate principal amount of $6,075,000 (the "Series 2009A Bonds), and its (ii) Revenue Bonds, Series 2009B (Adelphi University Project) in the aggregate principal amount of $25,000,000, (the "Series 2009B Bonds" and, together with the Series 2009A Bonds, the "Bonds"). The Bonds are authorized to be issued pursuant to (i) the New York Membership Corporation Law as in effect in 1966, as superseded by Section 1411 of the New York Not-for-Profit Corporation Law (collectively called the "Act"), (ii) a Bond Resolution duly adopted by the Issuer on September 23, 2009 (the "Resolution"), and (iii) an Indenture of Trust, dated as of September 1, 2009 (the "Indenture"), by and between the Issuer and U.S. Bank National Association, as trustee for the benefit of the Owners of the Bonds (the "Trustee"). The Bonds were issued for the purpose of providing funds (A) to refund the outstanding Town of Hempstead Industrial Development Agency Civic Facility Revenue Bonds, Series 1999 (Adelphi

University Civic Facility) (the "1999 Bonds"), (B) to finance the costs of renovating, constructing, furnishing and equipping certain facilities for use by Adelphi University (the "University") to be located in the Town of Hempstead, New York (the "2009 Project"), (C) to pay capitalized interest on the Series 2009B Bonds during the construction period of the 2009 Project, and (D) paying a portion of the costs of issuance of the Bonds.

The Issuer will loan the proceeds of the Bonds to the University pursuant to the terms of a Loan Agreement, dated as of September 1, 2009 (the "Loan Agreement"), between the Issuer and the University. The Issuer has assigned to the Trustee as security for the Bonds, for the benefit of the Owners of the Bonds, substantially all of its rights under the Loan Agreement pursuant to the Indenture. The Issuer and the University have entered into a Tax Compliance Agreement, dated the date hereof (the "Tax Compliance Agreement"), in which the Issuer and the University have made certain representations and covenants, established certain conditions and limitations and created certain expectations, relating to compliance with the requirements imposed by the Internal Revenue Code of 1986, as amended (the "Code"). Merrill Lynch & Co. (the "Underwriter") has agreed to sell the Bonds to one or more purchasers pursuant to the terms of a Bond Purchase Agreement, dated September 24, 2009 (the "Bond Purchase Agreement"), among the Issuer, the Underwriter and the University.

The Bonds are dated September 30, 2009, and bear interest from the date thereof at the rate and pursuant to the respective terms of the Bonds. The Bonds are subject to prepayment or redemption prior to maturity, as a whole or in part, at such time or times, under such circumstances and in such manner as is set forth in the Bonds and the Indenture.

As bond counsel, we have examined originals or copies, certified or otherwise identified to our satisfaction, of such instruments, certificates and documents (including all documents constituting the Transcript of Proceedings with respect to the issuance of the Bonds) as we have deemed necessary or appropriate for the purposes of the opinions rendered below. In such examination, we have assumed the genuineness of all signatures, the authenticity and due execution of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion, without having conducted any independent investigation, we have relied upon, and assumed the accuracy and truthfulness of, the aforesaid instruments, certificates and documents.

Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned in the Schedule of Definitions attached as Schedule A to the Indenture.

In rendering the opinions set forth below, we have relied upon, among other things, certain representations and covenants made by the parties in this transaction including: (i) the

University in (a) the Bond Purchase Agreement, (b) the Tax Compliance Agreement, (c) the Loan Agreement, and (d) the Closing Certificate of the University, dated the date hereof, (ii) the Bond Counsel Questionnaire submitted to us by the University, and (iii) the Issuer in (a) the Bond Purchase Agreement, (b) the Indenture, (c) the Tax Compliance Agreement, (d) the Loan Agreement, and (e) the Closing Certificate of the Issuer, dated the date hereof. We call your attention to the fact that there are certain requirements with which the Issuer and the University must comply after the date of issuance of the Bonds in order for the interest on the Bonds to remain excluded from gross income for federal income tax purposes. Copies of the aforementioned documents are included in the Transcript of Proceedings.

In addition, in rendering the opinions set forth below, we have relied upon the opinions of counsel to the Issuer, Ryan, Brennan & Donnelly, LLP, Floral Park, New York; counsel to the University, Farrell Fritz, P.C., Melville, New York; and counsel to the Trustee, Akerman Senterfitt LLP, New York, New York, all of even date herewith. Copies of the aforementioned opinions are contained in the Transcript of Proceedings.

Based upon and subject to the foregoing, we are of the opinion that:

1. The Issuer is a duly organized and existing corporate governmental agency constituting a local development corporation of the State of New York.

2. The Issuer is duly authorized to issue, execute, sell and deliver the Bonds, for the purpose of paying the costs described above.

3. The Resolution has been duly adopted by the Issuer and is in full force and effect.

4. The Bond Purchase Agreement, the Indenture, the Tax Compliance Agreement, and the Loan Agreement have been duly authorized, executed and delivered by the Issuer and are legal, valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their respective terms.

5. The Bonds have been duly authorized, executed and delivered by the Issuer and are legal, valid and binding special obligations of the Issuer payable solely from the revenues derived from the Loan Agreement, enforceable against the Issuer in accordance with their respective terms.

6. The Bonds do not constitute a debt of the State of New York or of the Town of Hempstead, New York, and neither the State of New York nor the Town of Hempstead, New York, will be liable thereon.

7. The Code sets forth certain requirements which must be met subsequent to the issuance and delivery of the 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 Bonds to be included in gross income for Federal income tax purposes retroactive to the date of issue of the Bonds. Pursuant to the Indenture, the Loan Agreement and the Tax Compliance Agreement, the Issuer and the University have covenanted to maintain the exclusion from gross income of the interest on the Bonds pursuant to Section 103 of the Code. In addition, the Issuer and the University have made certain representations and certifications in the Indenture, the Loan Agreement and the Tax Compliance Agreement. We are also relying 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 herein and the accuracy of the aforementioned representations and certifications, interest on the 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 2009A Bonds is included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax imposed on such corporations, however, interest on the Series 2009B Bonds is excluded from the adjusted current earnings of corporations for purposes of this computation.

The difference between the principal amount of the Series 2009B Bonds maturing on February 1, in the years 2013, 2014, 2016, 2017, 2022, 2023, 2024, 2025, and 2029 inclusive (the "Discount Bonds"), and the initial offering price to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Discount Bonds of the same maturity was sold constitutes original issue discount which is excluded from gross income for Federal income tax purposes to the same extent as interest on the Bonds. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of the Discount Bonds and the basis of the Discount Bonds acquired at such initial offering price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. The accrual of original issue discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning the Discount Bonds, even though there will not be a corresponding cash payment.

8. Interest on the Bonds is exempt from income taxes imposed by the State of New York or any political subdivision of the State of New York.

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

The foregoing opinions are qualified to the extent that the enforceability of the Bonds, the Bond Purchase Agreement, the Indenture, the Loan Agreement and the Tax Compliance Agreement may be limited by bankruptcy, insolvency or other laws or enactments now or hereafter enacted by the State of New York or the United States affecting the enforcement of creditors' rights and by restrictions on the availability of equitable remedies and to the extent, if any, that enforceability of the indemnification provisions of such documents may be limited under law. We express no opinion with respect to the availability of any specific remedy provided for in any of the bond documents.

In rendering the foregoing opinions, we are not passing upon and do not assume any responsibility for the accuracy, completeness, sufficiency or fairness of any documents, information or financial data supplied by the Issuer, the University or the Trustee in connection with the Bonds, the Bond Purchase Agreement, the Indenture, the Loan Agreement, the Tax Compliance Agreement, the Official Statement, the Continuing Disclosure Agreement or the 2009 Facility and make no representation that we have independently verified the accuracy, completeness, sufficiency or fairness of any such documents, information or financial data. In addition, we express no opinion herein with respect to the accuracy, completeness, sufficiency or fairness of the Preliminary Official Statement, dated September 15, 2009, or the Official Statement, dated September 24, 2009, with respect to the Bonds.

We express no opinion herein with respect to the registration requirements under the Securities Act of 1933, as amended, the registration or qualification requirements under the Trust Indenture Act of 1939, as amended, the registration, qualification or other requirements of State Securities laws, or the availability of exemptions therefrom.

We express no opinion as to the sufficiency of the description of the Equipment contained in the Loan Agreement or as to the adequacy, perfection or priority of any security interest in any collateral securing the Bonds.

Furthermore, we express no opinion as to the Continuing Disclosure Agreement. We express no opinion with respect to whether the Issuer and the University (i) have complied with the State Environmental Quality Review Act, (ii) have obtained any or all necessary governmental approvals, consents or permits, or (iii) have complied with the New York Labor Law or other applicable laws, rules, regulations, orders and zoning and building codes, all in connection with the renovation, construction, equipping, furnishing and operation of the 2009 Project.

Very truly yours,

APPENDIX D
Form of Continuing Disclosure Agreement

September __, 2009

U.S. Bank National Association, as Trustee
100 Wall Street, Suite 1600
New York, New York 10005

Re: Town of Hempstead Local Development Corporation $6,075,000 Revenue Refunding Bonds, Series 2009A (Adelphi University Project) and $25,000,000 Revenue Bonds, Series 2009B (Adelphi University Project) (together, the "Bonds"), issued under an Indenture of Trust dated as of September 1, 2009 (the "Indenture") between the Town of Hempstead Local Development Corporation (the "Issuer") and U.S. Bank National Association, as trustee (the "Trustee")

Ladies and Gentlemen:

In connection with the issuance of the Bonds and with reference to the continuing disclosure requirements of Rule 15c2-12 (the "Rule") under the Securities and Exchange Act of 1934, as amended (the "1934 Act"), Adelphi University (the "University") shall engage in the undertaking described in Paragraphs 1, 2 and 3 herein for the benefit of the registered owners of the Bonds (the "Bondowners") and the beneficial owners of the Bonds, subject to the conditions and limitations specified herein.

1. Within the expiration of one hundred twenty (120) calendar days after the close of the most recent fiscal year of the University (the "Filing Deadline") commencing with the fiscal year ending August 31, 2010, the University will provide to the (i) Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") at http://emma.msrb.org/submission and (ii) appropriate state information depository ("SID"), if any:

   (a) Financial information and operating data for the Fiscal Year then ended relating to the University, updating the financial information and operating data presented in the Official Statement dated September 24, 2009, relating to the issuance of the Bonds under the subheadings "Faculty", "Enrollment", "Applications and Admissions", "Student Fees and Competition", "Student Financial Assistance", "Degrees Conferred", "Pension Program", "Revenues and Expenses of the University", "Endowment", "State Aid", "Private Gifts", "Plant Values" and "Outstanding Indebtedness of the University" under the heading "THE UNIVERSITY", to the extent not otherwise set forth in the audited financial statements provided pursuant to (b) below; and

   (b) Audited financial statements of the University for the most recently ended fiscal year, prepared in accordance with generally accepted accounting principles; provided if such audited financial statements are unavailable at such time, the University will provide unaudited financial statements of the University for such period and thereafter will provide the audited financial statements if and when they become available.

   Items (a) and (b) are sometimes referred to herein respectively as the "Annual Report".

The University shall file a certificate with the Issuer and the Trustee certifying that the Annual Report has been provided pursuant to this Continuing Disclosure Agreement, stating the date it was provided and listing all the repositories to which it was provided (the "Compliance Certificate"); such report shall include a certification from the University that the Annual Report complies with the requirements of this Continuing Disclosure Agreement.

If the Trustee has not received a Compliance Certificate by the Filing Deadline, the Trustee shall send, and the University hereby authorizes and directs the Trustee to submit on its behalf, a notice to EMMA, the MSRB and the SID, if any, in substantially the form attached hereto as Exhibit A.

The University reserves the right to modify from time to time the specific types of information provided under subparagraph (a) above or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the University; provided that any such modification will be done in a manner consistent with the Rule. At its option, the Trustee may request that the University provide an opinion of a nationally recognized bond counsel which states that said amendment will not have any adverse affect upon the taxability of the Bonds.

2. The University promptly will provide to EMMA and the SID, if any, written notice of the occurrence of any of the following events with respect to the Bonds, if such event is material:

   (a) Principal or interest payment delinquencies;

   (b) Non-payment related defaults;

   (c) Unscheduled draws on debt service reserves;

   (d) Unscheduled draws on credit enhancements reflecting financial difficulties;

   (e) Substitution of credit or liquidity providers, or their failure to perform;

   (f) Adverse tax opinions or events affecting the tax-exempt status of the Bonds;

   (g) Modifications to rights of Bondowners;

   (h) Bond calls (provided, however, that the giving of notice of regularly scheduled mandatory sinking fund redemptions shall not be deemed material for the purpose of this Continuing Disclosure Agreement);

   (i) Defeasances;

   (j) Release, substitution, or sale of property securing the repayment of the Bonds; or

   (k) Ratings changes.

3. The Trustee shall, promptly, upon obtaining actual knowledge of the alleged or actual occurrence of any of the events listed in Paragraph 2 hereof contact the person specified pursuant to Paragraph 5 hereof, inform such person of the event, and request that the University promptly notify the Trustee in writing whether or not the University will report the event pursuant to Paragraph 2 hereof. Whenever the University obtains knowledge of the occurrence of any event listed in Paragraph 2 hereof, because of a notice from the Trustee pursuant to the preceding sentence above, or otherwise, the University shall as soon as possible determine if such event

would constitute material information for the Bondowners and provide appropriate notice to the Trustee, provided, that any event under Paragraph 2(k) hereof will always be deemed to be material, and shall require notice pursuant to Paragraph 2 hereof.

4. Notwithstanding any other provision of this Continuing Disclosure Agreement, the University and the Trustee may amend this Continuing Disclosure Agreement (and the Trustee shall agree to any amendment so requested by the University, provided, however, the Trustee shall not be required to accept or acknowledge any amendment of this Continuing Disclosure Agreement if the amendment adversely affects its rights or immunities or increases its duties hereunder) and any provision of this Continuing Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to the University and the Trustee to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

5. The University, or the University's designee from time to time, shall be the contact persons on behalf of the University from whom the foregoing information, data and notices may be obtained. The name, address and telephone number of the initial contact person for the University is Timothy Burton, Senior Vice President and Treasurer, Adelphi University, Levermore Hall, One South Avenue, Garden City, New York 11530; (516) 877-3385.

6. The University's obligations under this Continuing Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds. if the University's obligations under the Loan Agreement (as defined in the Indenture) are assumed in full by some other entity, such person shall be responsible for compliance with this Continuing Disclosure Agreement in the same manner as if it were the University and the University shall have no further responsibility hereunder.

7. In the event of a failure by the University or the Trustee to comply with any provision of this Continuing Disclosure Agreement, the Trustee may (and at the request of any Bondowner holding at least 25% aggregate principal amount of outstanding Bonds, shall), or any Bondowner may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the University or the Trustee, as the case may be, to comply with their obligations under this Continuing Disclosure Agreement. A default under this Continuing Disclosure Agreement shall not be deemed an Event of Default under the Loan Agreement or the Indenture, and the sole remedy under this Continuing Disclosure Agreement in the event of any failure of the University, or the Trustee to comply with this Continuing Disclosure Agreement shall be an action to compel performance.

8. The Trustee is authorized to make such securities disclosures to the Bondowners as may be required hereunder including providing notices from the University pursuant to Paragraph 2 hereof to the Bondowners. The Trustee is entitled to rely on any notices received by it from the University in making or not making any securities disclosure. The Trustee shall have no liability to the University or any Bondowners or anyone else for any disclosure or nondisclosure which is undertaken in reliance on notices from the University.

9. The Trustee shall have any such duties as are specifically set forth herein. The Trustee (i) shall not be liable for any error of judgment or for any act done or step taken or omitted by it in good faith, or for any mistake of fact or law, or for anything which it may do or refrain from doing in connection herewith, except for its own gross negligence or willful misconduct, (ii) shall not be

obligated to take any legal action or other action hereunder which might in its judgment involve any expense or liability unless it has been furnished with indemnification satisfactory to it, and (iii) shall be entitled to consult with counsel satisfactory to it, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in accordance with the opinion of such counsel. The University covenants and agrees to indemnify the Trustee and hold it harmless without limitation from and against any loss, liability or expense of any nature incurred by the Trustee arising out of or in connection with this Continuing Disclosure Agreement except due to its own gross negligence or willful misconduct. In no event shall the Trustee be liable for indirect, special or consequential damages. This Paragraph 9 shall survive termination of this Continuing Disclosure Agreement.

Very truly yours,

ADELPHI UNIVERSITY

By:______________________________
Name: Robert Allyn Scott
Title: President

By:______________________________
Name: Timothy P. Burton
Title: Senior Vice President and Treasurer

The foregoing is agreed to:

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By:______________________________
Name:
Title:

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	Town of Hempstead Local Development Corporation
Name of Bond Issue:	Revenue Refunding Bonds, Series 2009A (Adelphi University Project) Revenue Bonds, Series 2009B (Adelphi University Project)
Date of Issuance:	September 30, 2009

NOTICE IS HEREBY GIVEN that Adelphi University (the "Obligated Person") has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement dated September 30, 2009 between the Obligated Person and U.S. Bank National Association, as Trustee.

Dated:

U.S. BANK NATIONAL ASSOCIATION, as Trustee,
on behalf of Adelphi University

By:____________________________
Name:__________________________
Title:___________________________

cc: Adelphi University

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ADELPHI UNIVERSITY

www.adelphi.edu

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