Moody's: "Aa3"
Standard & Poor's: "AA-"
(See "Ratings" herein)

NEW ISSUE–BOOK-ENTRY ONLY

$402,380,000
DORMITORY AUTHORITY OF THE STATE OF NEW YORK
NEW YORK UNIVERSITY
REVENUE BONDS, SERIES 2009A

Dated: Date of Delivery **Due: July 1, as shown on the inside cover**

Payment and Security: The New York University Revenue Bonds, Series 2009A (the "Series 2009A Bonds") are special obligations of the Dormitory Authority of the State of New York (the "Authority") payable solely from and secured by a pledge of (i) certain payments to be made under the Loan Agreement, as amended (the "Loan Agreement"), dated as of May 28, 2008 between New York University (the "University") and the Authority, and (ii) all funds and accounts (except the Arbitrage Rebate Fund or any fund or account established for the payment of the purchase price or redemption price of Option Bonds tendered for purchase or redemption) established under the Authority's New York University Revenue Bond Resolution, adopted May 28, 2008 (the "Resolution") and the Series Resolution Authorizing the Issuance of a Series of New York University Revenue Bonds adopted on October 28, 2009 (the "Series 2009A Resolution").

The Loan Agreement is a general, unsecured obligation of the University and requires the University to pay, in addition to the fees and expenses of the Authority and the Trustee, amounts sufficient to pay, when due, the principal, Sinking Fund Installments, if any, Purchase Price and Redemption Price of and interest on all Bonds issued under the Resolution, including the Series 2009A Bonds.

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

Description: The Series 2009A Bonds will be issued as fully registered bonds in denominations of $5,000 or any integral multiple thereof and will bear interest at the fixed rates and will pay interest and mature at the times shown on the inside cover hereof.

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

The Bank of New York Mellon, New York, New York is the Trustee and Paying Agent for the Series 2009A Bonds.

Redemption: *The Series 2009A Bonds are subject to redemption or purchase in lieu of optional redemption prior to maturity as more fully described herein.*

Tax Exemption: In the opinion of Bond Counsel, under existing law and assuming compliance with the tax covenants described herein, and the accuracy of certain representations and certifications made by the Authority and the University described herein, interest on the Series 2009A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code with respect to individuals and corporations. Bond Counsel is further of the opinion that, by virtue of the Act, interest on the Series 2009A Bonds is exempt from personal income taxes of the State of New York and its political subdivisions. See "PART 10 - TAX MATTERS" herein regarding certain other tax considerations.

The Series 2009A Bonds are offered when, as, and if issued and received by the Underwriters. The offer of the Series 2009A Bonds may be subject to prior sale, or withdrawn or modified at any time without notice. The offer is subject to the approval of legality by Nixon Peabody LLP, New York, New York, Bond Counsel, and to certain other conditions. Certain legal matters will be passed upon for the University by its Deputy General Counsel, Terrance J. Nolan. Certain legal matters will be passed upon for the Underwriters by their co-counsel, Orrick, Herrington & Sutcliffe LLP, New York, New York and Bryant Burgher Jaffe & Roberts LLP, New York, New York. The Authority expects to deliver the Series 2009A Bonds in definitive form in New York, New York, on or about December 10, 2009.

Morgan Stanley	**J.P. Morgan**	**Merrill Lynch**
Barclays Capital	**Citi**	**Duncan-Williams, Inc.**
Goldman, Sachs & Co.	**Jefferies & Company**	**Loop Capital Markets, LLC**
Stifel, Nicolaus & Company, Inc.		**Wachovia Bank, NA**

November 6, 2009

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$402,380,000
New York University
Revenue Bonds, Series 2009A

Interest Payment Date: Each January 1 and July 1 (commencing July 1, 2010)

Due July 1	Amount	Interest Rate	Yield	CUSIP Number[1]	Due July 1	Amount	Interest Rate	Yield	CUSIP Number[1]
2015	$ 8,715,000	4.00%	2.63%	649905UY0	2023	$12,345,000	5.00%	3.98%†	649905UQ7
2016	9,065,000	5.00	2.88	649905UH7	2024	4,575,000	4.00	4.05	649905UR5
2017	9,520,000	3.10	3.12	649905UJ3	2024	8,385,000	5.00	4.05†	649905VC7
2018	9,815,000	4.00	3.31	649905UK0	2025	3,010,000	4.00	4.16	649905US3
2019	10,205,000	5.00	3.46	649905UL8	2025	10,555,000	5.00	4.16†	649905VD5
2020	3,540,000	4.00	3.66†	649905UM6	2026	14,210,000	5.25	4.22†	649905UT1
2020	7,175,000	5.00	3.66†	649905VA1	2027	14,960,000	5.25	4.29†	649905UU8
2021	11,215,000	5.00	3.79†	649905UN4	2028	15,745,000	5.25	4.36†	649905UV6
2022	2,235,000	4.00	3.88†	649905UP9	2029	2,635,000	4.30	4.42	649905UW4
2022	9,545,000	5.00	3.88†	649905VB9	2029	13,935,000	5.25	4.42†	649905VE3

$96,710,000 5.25% Term Bond Due July 1, 2034, to Yield 4.70%† CUSIP Number[1] 649905UZ7

$5,250,000 4.75% Term Bond Due July 1, 2039, to Yield 4.90% CUSIP Number[1] 649905UX2

$119,035,000 5.00% Term Bond Due July 1, 2039, to Yield 4.90%† CUSIP Number[1] 649905VF0

† Priced to the first par call on July 1, 2019.

[1] CUSIP data herein are provided by Standard & Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. CUSIP numbers have been assigned by an independent company not affiliated with the Authority and are included solely for the convenience of the holders of the Series 2009A Bonds. The Authority is not responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Series 2009A Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of the Series 2009A Bonds.

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

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

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

The University reviewed the parts of this Official Statement describing the University, the Estimated Sources and Uses of Funds, the 2009 Project, and Appendix B. It is a condition to the sale and the delivery of the Series 2009A Bonds that the University certify that, as of each such date, such parts do not contain any untrue statements of a material fact and do not omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which the statements are made, not misleading. The University makes no representations as to the accuracy or completeness of any other information included in this Official Statement.

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

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

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

IN CONNECTION WITH THE OFFERING OF THE SERIES 2009A BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2009A BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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DORMITORY AUTHORITY - STATE OF NEW YORK - 515 BROADWAY, ALBANY, N.Y. 12207
PAUL T. WILLIAMS, JR. - EXECUTIVE DIRECTOR ALFONSO L. CARNEY, JR. - CHAIR

OFFICIAL STATEMENT RELATING TO
$402,380,000
DORMITORY AUTHORITY OF THE STATE OF NEW YORK
NEW YORK UNIVERSITY
REVENUE BONDS, SERIES 2009A

PART 1 - INTRODUCTION

Purpose of the Official Statement

The purpose of this Official Statement, including the cover page, the inside cover page and appendices, is to provide information about the Authority and the University, in connection with the offering by the Authority of $402,380,000 principal amount of its New York University Revenue Bonds, Series 2009A (the "Series 2009A Bonds").

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

Purpose of the Issue

The Series 2009A Bonds are being issued (i) to pay the costs of the 2009 Project (as defined hereafter) and (ii) to pay the Costs of Issuance of the Series 2009A Bonds. See "PART 4 - ESTIMATED SOURCES AND USES OF FUNDS" and "PART 5 - THE 2009 PROJECT."

Authorization of Issuance

The Series 2009A Bonds will be issued pursuant to the Resolution and the Act. In addition to the Series 2009A Bonds, the Resolution authorizes the issuance of other Series of Bonds (collectively, the "Bonds") to pay other Costs of one or more Projects, to pay the Costs of Issuance of such Series of Bonds and to refund all or a portion of Outstanding Bonds or other notes or bonds of the Authority issued on behalf of the University. The Bonds permitted to be issued under the Resolution include Capital Appreciation Bonds, Deferred Income Bonds, Option Bonds and Variable Interest Rate Bonds. All Bonds issued under the Resolution will rank on a parity with each other and will be secured equally and ratably with each other. There is no limit on the amount of additional Bonds that may be issued under the Resolution, which Bonds may be issued at any time after the scheduled delivery date of the Series 2009A Bonds. See "PART 6 - THE UNIVERSITY - Outstanding Long-Term Debt."

The Series 2009B Bonds

The Authority has authorized and expects to issue approximately $64 million principal amount of its New York University Revenue Bonds, Series 2009B (the "Series 2009B Bonds"). The Series 2009B Bonds are to be issued under the Resolution on or about the date of issuance of the Series 2009A Bonds. The Series 2009B Bonds are expected to be issued (i) to refinance indebtedness incurred in connection with a facility for the School of Medicine and (ii) to pay the Costs of Issuance of the Series 2009B Bonds.

The Series 2009A Bonds

The Series 2009A Bonds will be dated their date of delivery and will bear interest from such date (payable July 1, 2010 and on each July 1 and January 1 thereafter) at the rates and will mature at the times and in the principal amounts set forth on the inside cover page of this Official Statement. See "PART 3 - THE SERIES 2009A BONDS - Description of the Series 2009A Bonds."

Payment of the Series 2009A Bonds

The Series 2009A Bonds and all other Bonds which may be issued under the Resolution are special obligations of the Authority payable solely from the Revenues, which consist of certain payments to be made by the University under the Loan Agreement. The Revenues are pledged and assigned to the Trustee. See "PART 2 - SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2009A BONDS - Payment of the Series 2009A Bonds."

Security for the Series 2009A Bonds

The Series 2009A Bonds are secured equally and ratably with all other Bonds which may be issued under the Resolution (including the Series 2009B Bonds) by the pledge and assignment to the Trustee of the Revenues, the proceeds of the Bonds and, except as otherwise provided in the Resolution, all funds and accounts established under the Resolution (with the exception of the Arbitrage Rebate Fund or any fund or account established for the payment of the purchase price or Redemption Price of Option Bonds tendered for purchase or redemption). See "PART 2 - SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2009A BONDS - Security for the Series 2009A Bonds" and "PART 6 - THE UNIVERSITY - Outstanding Long-Term Debt."

The Loan Agreement is a general, unsecured obligation of the University. No security interest in any revenues or assets of the University has been granted by the University to the Authority under the Loan Agreement. However, the University has granted security interests in certain revenues and assets of the University to secure certain of the University's outstanding indebtedness other than the Bonds. In addition, pursuant to the Loan Agreement, the University may incur Debt secured by a lien and pledge of revenues of the University without granting to the Authority any security interest in any revenues to secure the University's obligations under the Loan Agreement. See "PART 2 - SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2009A BONDS - Security for the Series 2009A Bonds" and "PART 6 - THE UNIVERSITY - FINANCIAL STATEMENT INFORMATION - Outstanding Long-Term Debt."

The University

The University is a private, co-educational, non-sectarian, non-profit institution of higher education chartered by the Regents of the University of the State of New York and is an organization described in Section 501(c)(3) of the Code. The University is one of the largest private institutions of higher education in the United States, with a faculty of approximately 7,200, and approximately 22,000 undergraduate and 22,000 graduate and professional students. It includes 16 schools, colleges, and divisions at six major centers in Manhattan and certain research and other facilities outside Manhattan.

In addition, the University is the sole member of NYU Hospitals Center ("NYUHC" or the "Hospital") and Polytechnic Institute of NYU ("Polytechnic Institute"), each of which is a separate legal entity from the University. In accordance with Financial Accounting Standards Board's Statement of Position 94-3 ("SOP 94-3") which requires consolidation when one non-profit organization (the University) has a controlling interest in another non-profit organization (the Hospital and Polytechnic Institute), the financial statements of the University, the Hospital and Polytechnic Institute are presented on a consolidated basis. Supplemental Schedules to the Consolidated Financial Statements (the "Supplemental Schedules") set forth information about each component consolidated entity, and the information in the Supplemental Schedules in the columns entitled "Washington Square" and "School of Medicine" represents the financial information with respect to the University. Only the University is obligated under the Loan Agreement to make payments with respect to the Series 2009A Bonds. The Hospital and Polytechnic Institute are not liable for any obligations of the University and the University is not liable for any obligations of the Hospital or Polytechnic Institute. See "PART 6 - THE UNIVERSITY" and "Appendix B – Consolidated Financial Statements of New York University and The Report of Independent Auditors."

The Authority

The Authority is a public benefit corporation of the State, created for the purpose of financing and constructing a variety of public-purpose facilities for certain educational, governmental and not-for-profit corporations. See "PART 7 - THE AUTHORITY."

The 2009 Project

The 2009 Project consists of the financing, refinancing or reimbursement of the costs of construction, acquisition, capital improvements and equipment relating to projects at various campus locations of the University. See "PART 5 - THE 2009 PROJECT."

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

Set forth below is a narrative description of certain contractual provisions relating to the source of payment of and security for the Series 2009A Bonds. These provisions have been summarized and this description does not purport to be complete. Reference should be made to the Act, the Loan Agreement, the Resolution and the Series 2009A Resolution. Copies of the Loan Agreement, the Resolution and the Series 2009A Resolution are on file with the Authority and the Trustee. See also "Appendix C - Summary of Certain Provisions of the Loan Agreement" and "Appendix D - Summary of Certain Provisions of the Resolution," for a more complete statement of the rights, duties and obligations of the parties thereto.

Payment of the Series 2009A Bonds

The Series 2009A Bonds and all other Bonds which may be issued under the Resolution will be special obligations of the Authority. The principal, Sinking Fund Installments, if any, Purchase Price and Redemption Price of and interest on the Series 2009A Bonds and all other Bonds which may be issued under the Resolution are payable solely from the Revenues, which consist of payments to be made by the University pursuant to the Loan Agreement on account of the principal, Sinking Fund Installments, if any, Purchase Price and Redemption Price of and interest on the Bonds. The Revenues and the right to receive them have been pledged to the Trustee for the benefit of the Bondholders.

The Loan Agreement is a general, unsecured obligation of the University and obligates the University to make payments to satisfy the principal and Sinking Fund Installments, if any, of and interest on Outstanding Bonds. Payments made by the University in respect of interest on fixed-rate Outstanding Bonds are to be made on the fifth Business Day immediately preceding a July 1 and January 1 interest payment date and, in the case of payments in connection with Variable Interest Rate Bonds, three days prior to an interest payment date, in each case in an amount equal to the interest coming due on the next succeeding interest payment date. Payments by the University in respect of principal and Sinking Fund Installments are to be made on the fifth Business Day preceding the date on which such principal becomes due or the date on which a Sinking Fund Installment becomes due. The Loan Agreement also obligates the University to pay, at least 15 days prior to a redemption date of Bonds called for redemption, the amount, if any, required to pay the Redemption Price of such Bonds.

Pursuant to the Loan Agreement, the Authority has directed the University, and the University has agreed, to make such payments directly to the Trustee. Such payments are to be applied by the Trustee to the payment of the principal of and interest on the Outstanding Bonds, including the Series 2009A Bonds.

Security for the Series 2009A Bonds

The Series 2009A Bonds are secured equally with all other Bonds which may be issued under the Resolution by the pledge of the Revenues, the proceeds of the Bonds and, except as otherwise provided in the Resolution, all funds and accounts established by the Resolution and any Series Resolution, other than the Arbitrage Rebate Fund and any fund established for the payment of the Purchase Price of Option Bonds tendered for purchase.

The Series 2009A Bonds will not be a debt of the State nor will the State be liable thereon. The Authority has no taxing power. Neither the State nor the Authority has any responsibility to make payments with respect to the Series 2009A Bonds except for the Authority's responsibility to make payments from money received from the

University pursuant to the Loan Agreement and from amounts held in the funds and accounts under the Resolution and pledged therefor.

The Loan Agreement and the obligation of the University to make payments under the Loan Agreement are general, unsecured obligations of the University. The obligations of the University to make payments or cause the same to be made under the Loan Agreement are absolute and unconditional and the amount, manner and time of making such payments are not to be decreased, abated, postponed or delayed for any cause or by reason of the happening or non-happening of any event, irrespective of any defense or any right of set-off, recoupment or counterclaim which the University may otherwise have against the Authority, the Trustee or any Bondholder for any cause whatsoever.

No security interest in any revenues or assets of the University has been granted by the University to the Authority under the Loan Agreement. However, the University has granted security interests in certain revenues and assets of the University to secure certain of the University's outstanding indebtedness other than the Bonds. See "PART 6 - THE UNIVERSITY - FINANCIAL STATEMENT INFORMATION - Outstanding Long-Term Debt," for a description of such indebtedness of the University secured by certain pledged revenues. In the event of a default under any debt instrument secured by such pledged revenues, the holder or trustee under such debt instrument (including the Authority as the holder of such other debt) will have the right to collect a portion or all of such pledged revenues, and apply the revenues so collected to the payment of amounts due under such debt instrument. Any revenues so collected and applied will not be available for satisfying any of the University's obligations under the Loan Agreement.

Events of Default and Acceleration

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

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

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

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

Issuance of Additional Bonds

In addition to the Outstanding Bonds and the Series 2009A Bonds, the Resolution authorizes the issuance of other Series of Bonds to finance one or more projects and for other specified purposes, including to refund Outstanding Bonds or other notes or bonds of the Authority issued on behalf of the University. The Bonds which may be issued include Capital Appreciation Bonds, Deferred Income Bonds, Option Bonds and Variable Interest Rate Bonds. All Bonds issued under the Resolution will rank on a parity with each other and will be secured equally and ratably with each other. There is no limit on the amount of additional Bonds that may be issued under the Resolution. Additional Bonds may be issued at any time after the scheduled delivery date of the Series 2009A Bonds.

General

The Series 2009A Bonds will not be a debt of the State and the State will not be liable on the Series 2009A Bonds. The Authority has no taxing power. The Authority has never defaulted in the timely payment of principal of or interest on its bonds or notes. See "PART 7 - THE AUTHORITY."

PART 3 - THE SERIES 2009A BONDS

Set forth below is a narrative description of certain provisions relating to the Series 2009A Bonds. These provisions have been summarized and this description does not purport to be complete. Reference should be made to the Resolution, the Series 2009A Resolution and the Loan Agreement, copies of which are on file with the Authority and the Trustee. See also "Appendix C - Summary of Certain Provisions of the Loan Agreement" and "Appendix D - Summary of Certain Provisions of the Resolution" for a more complete description of certain provisions of the Series 2009A Bonds.

Description of the Series 2009A Bonds

The Series 2009A Bonds will be issued pursuant to the Resolution and the Series 2009A Resolution, will be dated their date of delivery, will bear interest from such date (payable July 1, 2010 and on each July 1 and January 1 thereafter) at the fixed rates, and will mature at the times set forth on the inside cover page of this Official Statement.

The Series 2009A Bonds will be issued as fully registered bonds in denominations of $5,000 or any integral multiple thereof. The Series 2009A Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), pursuant to DTC's Book-Entry Only System. Purchasers of beneficial interests in the Series 2009A Bonds will be made in book-entry form, without certificates. If at any time the Book-Entry Only System is discontinued for the Series 2009A Bonds, the Series 2009A Bonds will be exchangeable for other fully registered Series 2009A Bonds in any other authorized denominations of the same maturity without charge except the payment of any tax, fee or other governmental charge to be paid with respect to such exchange, subject to the conditions and restrictions set forth in the Resolution. See "Book-Entry Only System" herein and "Appendix D - Summary of Certain Provisions of the Resolution."

Interest on the Series 2009A Bonds will accrue based upon a 360-day year of twelve 30-day months.

Interest on the Series 2009A Bonds will be payable by check or draft mailed to the registered owners or, at the option of the registered owner of at least $1,000,000 of such Bonds, by wire transfer to the wire transfer address within the continental United States to which the registered owner has instructed the Trustee to make such payment at least five Business Days prior to the Record Date. If the Series 2009A Bonds are not registered in the name of DTC or its nominee, Cede & Co., the principal and Redemption Price of such Bonds will be payable at the principal corporate trust office of The Bank of New York Mellon, New York, New York, the Trustee and Paying Agent. The principal, Redemption Price and Purchase Price of and interest on the Series 2009A Bonds is payable in lawful money of the United States of America.

Redemption and Purchase in Lieu of Redemption Provisions

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

Optional Redemption

The Series 2009A Bonds maturing on or before July 1, 2019, are not subject to optional redemption prior to maturity. The Series 2009A Bonds maturing after July 1, 2019, are subject to redemption prior to maturity on or after July 1, 2019, in any order at the option of the Authority, as a whole or in part at any time, at a Redemption Price of 100% of the principal amount of Series 2009A Bonds to be redeemed, plus accrued interest to the redemption date.

Purchase in Lieu of Optional Redemption

The Series 2009A Bonds are subject to purchase in lieu of optional redemption at the time that such Series 2009A Bonds are subject to optional redemption and at a purchase price (the "Purchase Price") equal to the Redemption Price that would then be payable.

Special Redemption

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

Mandatory Redemption

Series 2009A Bonds

The Series 2009A Bonds maturing on July 1, 2034 and the Series 2009A Bonds maturing on July 1, 2039 and bearing interest at the rate of 5.00% per annum are also subject to redemption, in part, on each July 1 of the years and in the respective principal amounts set forth below, at a Redemption Price of 100% of the principal amount of Series 2009A Bonds to be redeemed, plus accrued interest to the redemption date, from mandatory Sinking Fund Installments which are required to be made in amounts sufficient to redeem on July 1 of each year the principal amount of Series 2009A Bonds specified for each of the years shown below:

Term Bond Maturing on July 1, 2034

Year	Sinking Fund Installments
2030	$17,415,000
2031	18,330,000
2032	19,290,000
2033	20,305,000
2034†	21,370,000

5.00% Term Bond Maturing on July 1, 2039

Year	Sinking Fund Installments
2035	$22,490,000
2036	23,615,000
2037	24,800,000
2038	26,040,000
2039†	22,090,000

† Final maturity.

There will be credited against and in satisfaction of the Sinking Fund Installment payable on any date, the principal amount of Series 2009A Bonds entitled to such Sinking Fund Installment (A) purchased with money in the Debt Service Fund pursuant to the Resolution, (B) redeemed at the option of the Authority, (C) purchased by the University or the Authority and delivered to the Trustee for cancellation or (D) deemed to have been paid in accordance with the Resolution. Series 2009A Bonds purchased with money in the Debt Service Fund will be applied against and in fulfillment of the Sinking Fund Installment of the Series 2009A Bonds so purchased payable on the next succeeding July 1. Series 2009A Bonds redeemed at the option of the Authority, purchased by the Authority or the University (other than from amounts on deposit in the Debt Service Fund) and delivered to the Trustee for cancellation or deemed to have been paid in accordance with the Resolution will be applied in satisfaction, in whole or in part, of one or more Sinking Fund Installments as the Authority may direct in its discretion. To the extent the Authority's obligation to make Sinking Fund Installments in a particular year is so satisfied, the likelihood of redemption through mandatory Sinking Fund Installments of a Bondholder's Series 2009A Bonds of the maturity so purchased will be reduced for such year.

Conditions to Redemption or Purchase

The Authority's obligation to redeem and the University's obligation to purchase a Series 2009A Bond called for optional or special redemption or to be purchased is conditioned upon the availability of sufficient money to pay the Redemption Price or Purchase Price for all of the Series 2009A Bonds to be redeemed or purchased.

Selection of Bonds to be Redeemed

In the case of redemptions of Series 2009A Bonds described above under the heading "*Optional Redemption*," the Authority will select the maturities of the Series 2009A Bonds to be redeemed. In the case of redemptions of Series 2009A Bonds described above under the heading "*Special Redemption*," Series 2009A Bonds will be redeemed to the extent practicable pro rata among maturities. If less than all of the Series 2009A Bonds of a maturity are to be redeemed (pursuant to an optional, special or mandatory redemption), the Series 2009A Bonds of such maturity to be redeemed will be selected by the Trustee, by lot, using such method of selection as the Trustee considers proper in its discretion.

Notice of Redemption

The Trustee is to give notice of the redemption of the Series 2009A Bonds in the name of the Authority, by first class mail, postage prepaid, not less than 30 days nor more than 45 days prior to the redemption date, to the registered owners of any Series 2009A Bonds which are to be redeemed, at their last known addresses appearing on the registration books of the Authority and by certified mail to a national information service that disseminates bond redemption notices. If the Authority's obligation to redeem Series 2009A Bonds is subject to conditions, the notice of redemption will contain a statement to such effect that describes the conditions to such redemption. The failure of any holder to receive such notice or any defect in such notice will not affect the validity of the proceedings for the redemption of the Series 2009A Bonds.

If, on the redemption date, money for the redemption of the Series 2009A Bonds of like maturity to be redeemed, together with interest thereon to the redemption date, are held by the Trustee so as to be available for payment of the Redemption Price, then interest on such Series 2009A Bonds will cease to accrue from and after the redemption date and such Series 2009A Bonds will no longer be considered to be Outstanding under the Resolution.

Notice of Purchase in Lieu of Redemption and its Effect

Notice of purchase of the Series 2009A Bonds will be given in the name of the University to the registered owners of the Series 2009A Bonds to be purchased by first-class mail, postage prepaid, not less than 30 days nor more than 45 days prior to the Purchase Date specified in such notice. The Series 2009A Bonds to be purchased are required to be tendered on the Purchase Date to the Trustee. Series 2009A Bonds to be purchased that are not so tendered will be deemed to have been properly tendered for purchase. If the Series 2009A Bonds are called for purchase in lieu of an optional redemption, such purchase will not extinguish the indebtedness of the Authority evidenced thereby or modify the terms of the Series 2009A Bonds. Such Series 2009A Bonds need not be cancelled, and will remain Outstanding under the Resolution and continue to bear interest.

If sufficient money is available on the Purchase Date to pay the Purchase Price of the Series 2009A Bonds to be purchased, the former registered owners of such Series 2009A Bonds will have no claim thereunder or under the Resolution or otherwise for payment of any amount other than the Purchase Price. If sufficient money is not available on the Purchase Date for payment of the Purchase Price, the Series 2009A Bonds tendered or deemed tendered for purchase will continue to be registered in the name of the registered owners on the Purchase Date, who will be entitled to the payment of the principal of and interest on such Series 2009A Bonds in accordance with their respective terms.

If not all of the Outstanding Series 2009A Bonds of a maturity are to be purchased, the Series 2009A Bonds of such maturity to be purchased will be selected by lot in the same manner as Series 2009A Bonds of a maturity to be redeemed in part are to be selected.

For a more complete description of the redemption and other provisions relating to the Series 2009A Bonds, see "Appendix D - Summary of Certain Provisions of the Resolution." Also see "Book-Entry Only System" below for a description of the notices of redemption to be given to Beneficial Owners of the Series 2009A Bonds when the Book-Entry Only System is in effect.

Book-Entry Only System

The Depository Trust Company ("DTC"), New York, New York, will act as the securities depository for the Series 2009A Bonds. The Series 2009A 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 Series 2009A Bond certificate will be issued for each maturity of the Series 2009A Bonds, totaling in the aggregate the principal amount of the Series 2009A Bonds, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation and Emerging Markets Clearing Corporation ("NSCC", "FICC" and "EMCC", respectively, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants", and together with Direct Participants, "Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission.

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

To facilitate subsequent transfers, all Series 2009A 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 the Series 2009A Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2009A 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 or regulatory requirements as may be in effect from time to time.

Redemption notices will be sent to DTC. If less than all of the Series 2009A Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant to be redeemed.

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

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

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

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

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

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

So long as Cede & Co. is the registered owner of the Series 2009A Bonds, as nominee for DTC, references herein to the Bondholders or registered owners of the Series 2009A Bonds (other than under "PART 10 - TAX MATTERS" herein) mean Cede & Co., as aforesaid, and do not mean the Beneficial Owners of the Series 2009A Bonds.

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

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

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

Principal and Interest Requirements

The following table sets forth the amounts, after giving effect to the issuance of the Series 2009A Bonds, required to be paid by the University during each twelve month period ending August 31 of the years shown for the payment of debt service on the outstanding indebtedness of the University, the principal of and interest on the Series 2009A Bonds and the total debt service on all indebtedness of the University, including the Series 2009A Bonds. For a discussion of the University's outstanding indebtedness, see "PART 6 - THE UNIVERSITY - Outstanding Long-Term Debt."

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12 Month Period Ending August 31	Debt Service on Outstanding Indebtedness*	Series 2009A Bonds Principal and Sinking Fund Installments	Series 2009A Bonds Interest Payments	Series 2009A Bonds Total Debt Service on the Series 2009A Bonds	Total Debt Service on all Outstanding Indebtedness**
2009	$103,326,000	-	-	-	$103,326,000
2010	113,562,464	-	$11,153,574	$11,153,574	124,716,038
2011	139,663,080	-	19,976,550	19,976,550	159,639,630
2012	103,072,080	-	19,976,550	19,976,550	123,048,630
2013	103,135,080	-	19,976,550	19,976,550	123,111,630
2014	104,747,080	-	19,976,550	19,976,550	124,723,630
2015	103,770,080	$ 8,715,000	19,976,550	28,691,550	132,461,630
2016	95,231,631	9,065,000	19,627,950	28,692,950	123,924,581
2017	98,830,234	9,520,000	19,174,700	28,694,700	127,524,934
2018	98,775,365	9,815,000	18,879,580	28,694,580	127,469,945
2019	98,743,762	10,205,000	18,486,980	28,691,980	127,435,742
2020	98,785,640	10,715,000	17,976,730	28,691,730	127,477,370
2021	98,844,475	11,215,000	17,476,380	28,691,380	127,535,855
2022	98,869,743	11,780,000	16,915,630	28,695,630	127,565,373
2023	98,930,922	12,345,000	16,348,980	28,693,980	127,624,902
2024	98,979,963	12,960,000	15,731,730	28,691,730	127,671,693
2025	99,034,082	13,565,000	15,129,480	28,694,480	127,728,562
2026	99,090,755	14,210,000	14,481,330	28,691,330	127,782,085
2027	99,153,934	14,960,000	13,735,305	28,695,305	127,849,239
2028	80,890,096	15,745,000	12,949,905	28,694,905	109,585,001
2029	80,936,194	16,570,000	12,123,293	28,693,293	109,629,487
2030	81,006,181	17,415,000	11,278,400	28,693,400	109,699,581
2031	81,077,009	18,330,000	10,364,113	28,694,113	109,771,122
2032	81,138,631	19,290,000	9,401,788	28,691,788	109,830,419
2033	72,228,000	20,305,000	8,389,063	28,694,063	100,922,063
2034	72,302,000	21,370,000	7,323,050	28,693,050	100,995,050
2035	68,119,000	22,490,000	6,201,125	28,691,125	96,810,125
2036	68,177,000	23,615,000	5,076,625	28,691,625	96,868,625
2037	68,328,000	24,800,000	3,895,875	28,695,875	97,023,875
2038	58,508,000	26,040,000	2,655,875	28,695,875	87,203,875
2039	51,409,000	27,340,000	1,353,875	28,693,875	80,102,875
2040	51,499,000	-	-	-	51,499,000
2041	43,322,000	-	-	-	43,322,000
2042	33,217,000	-	-	-	33,217,000
2043	33,305,000	-	-	-	33,305,000
2044	33,398,000	-	-	-	33,398,000
2045	33,492,000	-	-	-	33,492,000
2046	33,596,000	-	-	-	33,596,000
2047	33,694,000	-	-	-	33,694,000
2048	33,804,000	-	-	-	33,804,000
2049	3,727,000	-	-	-	3,727,000
2050	3,838,000	-	-	-	3,838,000
2051	3,953,000	-	-	-	3,953,000
2052	4,072,000	-	-	-	4,072,000
2053	2,066,000	-	-	-	2,066,000

* Includes debt service on the University's Series 2009 Taxable Bonds issued on November 5, 2009. See "PART 6 - THE UNIVERSITY - Outstanding Long-Term Debt" and "- Additional Borrowing Plans."

** Excludes debt service related to the University's lines of credit and an estimated $64 million of Series 2009B Bonds expected to be issued by the Authority on behalf of the University in December 2009. The Series 2009B Bonds are expected to have maximum annual debt service of approximately $11 million.

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PART 4 - ESTIMATED SOURCES AND USES OF FUNDS

Estimated sources and uses of funds are as follows:

	Series 2009A Bonds
Sources of Funds	
Principal Amount	$402,380,000
Net Original Issue Premium	17,577,678
Total Sources of Funds	$419,957,678
Uses of Funds	
Deposit to Construction Fund	$414,080,407
Costs of Issuance*	3,754,054
Underwriters' Discount	2,123,217
Total Uses of Funds	$419,957,678

* Includes legal fees, State bond issuance charge and associated costs relating to the Series 2009A Bonds

PART 5 - THE 2009 PROJECT

A portion of the proceeds of the Series 2009A Bonds will be used to finance or refinance the costs of constructing, reconstructing, renovating, equipping, repairing, purchasing, or otherwise providing for the project described below (the "2009 Project"). The 2009 Project is or will be owned or operated by the University and will be located in New York, New York. The 2009 Project consists of (a) renovation of an academic building to house mathematics and computer science programs; (b) major reconstruction of an academic building for use as a biological sciences research facility; (c) renovation of an academic building for use for the linguistics program; (d) renovation of ground level retail space in an office building for use as a University bookstore; (e) improvement to an academic building for use as laboratories and for offices and administrative space for the science programs; (f) improvement to an academic building; (g) renovation and refurbishment to an academic building; (h) purchase of a newly-constructed 735-bed dormitory; (i) construction and renovation of classrooms in various academic buildings; (j) renovation of a mixed-use building for use as classrooms and administrative space; (k) renovations and improvements to a mixed-use building for use as musical theater performance and acting studios; (l) purchase of a condominium unit in a mixed-use building and build-out for use as a clinical and research facility and administrative offices for the School of Medicine; and (m) a program of reconstruction, renovation and deferred maintenance of, and equipment and information systems purchased for existing buildings at the University's Washington Square Campus in Manhattan.

PART 6 - THE UNIVERSITY

GENERAL INFORMATION

History

New York University is a private, non-profit institution of higher education and is an organization described in Section 501(c)(3) of the Code. It was founded in 1831 by a group of private citizens and is recognized both nationally and internationally as a leader in scholarship.

The University is one of the largest private institutions of higher education in the United States. The University has a faculty of approximately 7,200, and approximately 22,000 undergraduate and 22,000 graduate and professional students. It includes 16 schools, colleges, and divisions at six major centers in Manhattan: the Washington Square campus in Greenwich Village, the Institute of Fine Arts at 1 East 78th Street near the Metropolitan Museum of Art, the School of Continuing and Professional Studies at the Midtown Center at 11 West

42nd Street and the Woolworth Building located at 15 Barclay Street, the College of Dentistry on First Avenue between East 24th and 25th Streets, and the School of Medicine on First Avenue between 30th and 34th Streets. Certain of the University's research facilities, notably the Institute of Environmental Medicine, are located in Sterling Forest, near Tuxedo, New York. Although overall the University is large, the divisions are small to moderate sized units - each with its own traditions, programs and faculty. Enrollment in the undergraduate divisions ranges between approximately 100 and 7,500 students. More than 4,600 courses are offered, leading to approximately 40 different degrees and certificates.

As a private university, the University operates under a board of trustees. It derives its income from tuition, room and board, endowment, grants from private foundations and government, and gifts from friends, alumni, corporations and other private philanthropic sources, and other revenue from patient care through faculty group practices.

The University is committed to a policy of equal treatment in every aspect of its relations with faculty, students and staff members, without regard to age, citizenship status, color, disability, marital or parental status, national origin, race, ethnicity, religion, sex or sexual orientation, gender and/or gender identity, or veteran or military status.

The University is a member of the Association of American Universities and is accredited by the Middle States Association of Colleges and Schools. Graduate and professional accrediting agencies recognize its degrees in all categories.

Governance

The University is governed by a self-perpetuating board of trustees (the "Board"), which is responsible for directing the affairs of the University. Following is a list of the members of the Board:

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Administration

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

Name	Position
John Sexton, B.A., M.A., Ph.D., J.D	President
David W. McLaughlin, B.S., M.S., Ph.D.	Provost
Michael C. Alfano, D.M.D., Ph.D.	Executive Vice President
Robert Berne, B.S., M.B.A., Ph.D.	Senior Vice President for Health
Richard Foley, B.A., M.A., Ph.D	Vice Chancellor for Strategic Planning; Chair, Faculty Advisory Committee on Academic Priorities
Diane C. Yu, B.A., J.D.,	Chief of Staff and Deputy to the President
Bonnie S. Brier, B.A., J.D	Senior Vice President, General Counsel, and Secretary of the University
Lynne P. Brown, B.A., M.A., Ph.D.	Senior Vice President for University Relations and Public Affairs
Martin Dorph, B.S., M.B.A., J.D.	Senior Vice President for Finance and Budget
Norman Dorsen, B.A., LL.B	Counselor to the President
Pierre C. Hohenberg, B.A., M.A., Ph.D	Senior Vice Provost for Academic Policies
Paul M. Horn, B.S., Ph.D	Senior Vice Provost for Research
Debra A. LaMorte, B.A., J.D.	Senior Vice President for Development and Alumni Relations
Alison Leary, B.S.	Senior Vice President for Operations
Linda G. Mills, B.A., J.D., M.S.W., Ph.D	Senior Vice Provost for Undergraduate Education and University Life; Associate Vice Chancellor for Admissions and Financial Aid, Abu Dhabi
Dianne Rekow, B.S., B.S.M.E., M.B.A., M.S.M.E., D.D.S., Ph.D.	Senior Vice Provost for Engineering and Technology; Provost, Polytechnic Institute of NYU
Ron Robin, B.A., M.A., Ph.D	Senior Vice Provost for Planning; Senior Vice Provost for NYU in Abu Dhabi
K. R. Sreenivasan, B.E., M.E., M.A., Ph.D.; hon.: D.Sc.,	Senior Vice Provost; Special Adviser for Science and Technology to the Vice Chancellor of New York University Abu Dhabi

Academic Programs

The College of Arts and Science offers the Bachelor of Arts degree in a wide range of programs in the humanities, science, social sciences, and foreign languages and literatures. The College of Arts and Science also offers the Bachelor of Science degree in certain departments. Joint programs of study currently involve NYU's Robert F. Wagner Graduate School of Public Service, Graduate School of Arts and Science, Steinhardt School of Culture, Education and Human Development, School of Social Work, School of Law, Tisch School of the Arts, Leonard N. Stern School of Business, School of Medicine, and College of Dentistry, as well as the Stevens Institute of Technology.

The Graduate School of Arts and Science offers the degrees of Master of Arts, Master of Science, Master of Fine Arts, Master of Professional Studies and Ph.D. in most areas of the humanities, social sciences, and natural sciences. Several advanced certificate programs are also offered. The NYU in Paris and NYU in Madrid M.A. programs are based in centers in Paris and Madrid. Dual degree programs of study currently involve the School of Law, the School of Medicine, the Steinhardt School of Culture, Education and Human Development, the Leonard N. Stern School of Business, and the Robert F. Wagner Graduate School of Public Service.

The School of Law is one of the oldest law schools in the United States. It offers a comprehensive professional program leading to the degree of Juris Doctor and a graduate curriculum leading to the degrees of Masters of Laws and Doctor of Juridical Science.

The School of Medicine and Post-Graduate Medical School (collectively, "SOM") offer the Doctor of Medicine and Ph.D. degrees in addition to the combined M.D./Ph.D. program and courses for accreditation designed to meet the needs of physician-scientists and physicians in practice. Clinical training takes place at a number of affiliated hospitals, including primarily at the Bellevue Hospital Center, where the School of Medicine works with the NYU Hospitals Center to supervise all care and treatment. The School also offers the Master of Science degree in Clinical Investigation. SOM includes the Skirball Institute of Biomolecular Medicine which provides state-of-the-art facilities for sophisticated biomedical research, and the Sackler Institute of Graduate Biomedical Sciences which offers a Ph.D. program with interdisciplinary training in the basic medical sciences: Cellular and Molecular Biology, Computational Biology, Developmental Genetics, Medical and Molecular Parasitology, Microbiology, Molecular Oncology and Immunology, Molecular Pharmacology, Neuroscience and Physiology, and Structural Biology.

The College of Dentistry is the third oldest and the largest private dental school in the United States. It offers a predoctoral program leading to the Doctor of Dental Surgery degree, as well as advanced education programs in the dental specialties and an allied health program in dental hygiene. The College offers B.S., M.S., and Ph.D. degree programs. Located within the College of Dentistry is the College of Nursing. The College of Nursing offers Bachelor of Science, Master of Science, and Ph.D. degree programs, as well as a B.S./M.S. dual degree program and an M.S./Executive MPA joint degree program with the Wagner Graduate School of Public Service.

The Steinhardt School of Culture, Education and Human Development offers a broad range of undergraduate pre-professional and professional programs and advanced graduate study in education, health, communications, and the arts professions. Undergraduate programs lead to the Bachelor of Science, Bachelor of Music, and Bachelor of Fine Arts degree. Graduate students may enroll in masters, advanced certificate, and doctoral programs in a wide variety of disciplines.

The Leonard N. Stern School of Business offers the Bachelor of Science, Master of Business Administration, and Ph.D. degrees. Students may specialize in accounting, economics, finance, information systems, international business, management, marketing, operations management, statistics, and actuarial science. Enrollment in the graduate program may be full or part time. Joint and dual graduate-level programs are offered with the School of Law, the Graduate School of Arts and Science, the Tisch School of the Arts, The Wagner School of Public Service, the Courant Institute of Mathematical Sciences, Hong Kong University of Science and Technology, Amsterdam Institute of Finance, London School of Economics and HEC School of Management, Paris.

The School of Continuing and Professional Studies ("SCPS") offers approximately 2,000 noncredit classes each semester in business and marketing; entertainment, technology and digital arts, international studies, real estate and construction and hospitality. SCPS also offers degree programs, including associate and bachelor degrees geared toward adults returning to college, and 14 Master of Science degree programs. Classes meet at the Washington Square campus as well as the University's Midtown Center and the Woolworth Building in downtown Manhattan.

The Robert F. Wagner Graduate School of Public Service offers curricula covering domestic and international issues including nonprofit management, financial management, public policy analysis, urban public policy studies, urban planning, and health policy and management. Master's and doctoral degree programs are offered on both a full-time and part-time basis. The Advanced Professional Certificate Programs and the Master of Science in Management Program offer career development opportunities for experienced professionals. Joint and dual degree programs are available with the College of Arts and Science, Graduate School of Arts and Science, the Leonard N. Stern School of Business, the School of Law, the School of Medicine, the College of Nursing, and the School of

Social Work. Undergraduate minors are available with the College of Arts and Science, the Steinhardt School of Culture, Education and Human Development, and the Leonard N. Stern School of Business.

The Silver School of Social Work offers Bachelor of Science, Master of Social Work, and Doctor of Philosophy degrees. The bachelor's program prepares students for beginning social work practice immediately upon graduation and for admission to graduate programs with advanced standing. The master's program prepares students for the core mission of social work and provides an advanced concentration in clinical social work. The doctoral program offers a concentration in clinical social work. It prepares graduates to assume leadership positions as researchers, advanced practitioners and educators. The School also offers Post-Master's Certificate Programs.

The Tisch School of the Arts offers the Bachelor of Arts, Bachelor of Fine Art, Master of Fine Arts, Master of Professional Studies (Interactive Telecommunications), Master of Arts Politics, Master of Arts (moving image archiving and preservation), and, through the Graduate School of Arts and Science, the Master of Arts and Ph.D degrees in performance studies or cinema studies. Departments and programs offering professional training are acting, dance, design for stage and film, drama, performance studies, film and television, cinema studies, photography and imaging, dramatic writing, musical theatre writing, recorded music, interactive telecommunications, art and public policy/arts politics, and moving image archiving and preservation. In the fall of 2007, Tisch opened a branch campus in Singapore with an inaugural class of 33 graduate film students from all over the world. Students at this campus can earn a Master of Fine Arts degree in film production, animation or dramatic writing.

The Gallatin School of Individualized Study offers Bachelor of Arts and Master of Arts degrees in individualized programs of study. Gallatin provides an innovative and student-centered liberal arts education in which students create and hone their own plans of study under the mentorship of faculty advisers.

The University's Institute of Fine Arts, located within Manhattan's famous "museum mile," is preeminent in the nation for the study of art history, archaeology, and conservation and the technology of works of art. It offers curricula leading to the M.A. and Ph.D. in art history as well as the Advanced Certificate in Conservation. Doctoral candidates may specialize in a range of studies including classical art and archaeology, combined studies in Near Eastern art and archaeology, or curatorial studies.

The Courant Institute comprises New York University's Department of Mathematics and Computer Science and a variety of sponsored research activities. The Institute offers Master of Science and Ph.D. programs in both mathematics and computer science. The Courant Institute is also responsible for New York University's undergraduate programs in computer science and mathematics.

In 2004, the University approved a Master of Public Health program in Global Public Health, a collaborative effort of the Schools of Dentistry, Education, Medicine, Public Service, and Social Work. The first graduating class of this program was in May 2007. In 2006, the General Studies Program, which offers the Associate in Arts degree, was moved from SCPS to become an administrative division within the Faculty of Arts and Science (i.e., the faculty of the College of Arts and Science and the Graduate School of Arts and Science).

The libraries at the University contain more than 5 million volumes. The largest of the University's eight libraries, the Elmer Holmes Bobst Library and Study Center, is one of the largest open-stack research libraries in the nation, with over 3.7 million volumes, 58 thousand serial titles, and over 5.4 million microforms, as well as extensive audio, video, and online collections.

The University offers students various study-abroad and global exchange programs. The University has centers in London, Paris, Madrid, Florence, Prague, Shanghai, Tel Aviv, Berlin, Buenos Aires and Accra, Ghana. The University's program in Florence is located at Villa La Pietra, which was bequeathed to the University by Sir Harold Acton in 1994. Villa La Pietra is a Renaissance estate with five villas situated on 57 acres. It houses an art collection, and its grounds feature an authentic Anglo-Italian garden.

In March 2006, the University established its Institute for the Study of the Ancient World ("ISAW"), a center for advanced scholarly research and graduate education intended to cultivate comparative and connective investigations of the ancient world from Europe and the Mediterranean basin to Central and East Asia. ISAW features doctoral and postdoctoral programs that aim to create a new generation of scholars whose study of the ancient world crosses customary disciplinary boundaries. The first students entered ISAW in the Fall of 2009 and will be awarded degrees through the Graduate School of Arts and Science at NYU.

In 2007, the University entered into an agreement with the Executive Affairs Authority of Abu Dhabi to develop a research and degree-granting college of the University in Abu Dhabi. It is anticipated that NYU Abu Dhabi will be a leading liberal arts university in the Middle East, offering undergraduate and select graduate programs. The campus is being developed and operated to the academic excellence standards applicable at the University and it is expected that the academic staff will include existing faculty from the University and other globally recruited faculty. The Executive Affairs Authority of Abu Dhabi has committed to provide land, funding, and financing for the development, construction, equipping, maintenance and operation of NYU Abu Dhabi. NYU Abu Dhabi will enroll the first class of students in September 2010, with enrollment estimated to be 100 students.

In June 2008, the University entered into an Affiliation and Proposed Consolidation Agreement with Polytechnic University, an engineering and technology school in Brooklyn, and became its sole member. During the affiliation stage, which is expected to continue for several years, Polytechnic University, now Polytechnic Institute of NYU, remains responsible for its day-to-day activities and the University has not assumed Polytechnic's assets or liabilities. The parties, however, will cooperate in a variety of ways, including undertaking mutually beneficial academic activities and working toward the ultimate goal of consolidating Polytechnic into the University as a school of technology and engineering of the University. Polytechnic Institute is a separate legal entity but its financial statements are consolidated with those of the University in accordance with SOP 94-3. See "PART 1 – INTRODUCTION – The University." Polytechnic Institute is not obligated with respect to any of the University's indebtedness and the University has no responsibility or liability for the indebtedness and other obligations of Polytechnic Institute.

Campus

The chief center for undergraduate and graduate study is at Washington Square in Greenwich Village. University apartment buildings provide housing for Washington Square faculty members, staff and graduate students and 1,100 School of Medicine faculty members, staff and students. The University's student residence hall system accommodates approximately 13,500 undergraduate and graduate students.

The Coles Sports and Recreation Center and the Palladium Athletic Facility offer recreational facilities to University students, faculty, staff, and alumni. These facilities accommodate a wide range of individual and group recreational activities, in addition to serving as home for the University's intercollegiate teams.

NYU Langone Medical Center

In October 2007, the University became the sole member of the Hospital. The Hospital is a separate legal entity but its financial statements are consolidated with those of the University in accordance with SOP 94-3. See "PART 1 – INTRODUCTION – The University."

The School of Medicine, a division of the University, and the Hospital operate as an integrated academic medical center under the direction of the NYU Langone Medical Center Board, which is comprised of the Hospital Board of Trustees and the School of Medicine Advisory Board. In the view of management of the Hospital and the University, this operational model results in greater integration and closer alignment of the goals and strategies of the Hospital and the School of Medicine.

The Hospital is not obligated with respect to any of the University's indebtedness and the University, including the School of Medicine, has no responsibility or liability for the indebtedness and other obligations of the Hospital.

OPERATING INFORMATION

Student Admissions

The following table sets forth the number of applications received for full-time freshman admission to the University's undergraduate schools, the number of those applications accepted for the current and the last five academic years, and the number of such successful applicants who enrolled for those years:

UNDERGRADUATE ADMISSION STATISTICS

Academic Year	Applications	Acceptances	Percent Accepted	New Enrollment	Matriculation Yield
2004-05	33,892	9,653	28.5%	3,428	35.5%
2005-06	33,725	9,984	29.6%	3,507	35.1%
2006-07	34,946	9,916	28.4%	3,460	34.9%
2007-08	33,947	9,908	29.2%	3,673	37.1%
2008-09	36,802	9,312	25.3%	3,330	35.8%
2009-10	36,944	10,851	29.4%	3,541	32.6%

Note: The above reflects data applicable to the fall semester's entering freshmen traditional bachelor's degree candidates, and excludes candidates entering certain non-traditional bachelor's degree programs, the University's two-year Liberal Studies Program and other two-year programs reported in the most recently filed U.S. Department of Education Integrated Postsecondary Education Data System Report. Had all such data been included in the table shown above for 2008-2009, the application count would be 37,245; the number of acceptances would be 11,965, or a 32.1% acceptance rate; and new enrollment would be 4,496 or a 37.6% yield rate.

Historically, undergraduate applications to schools of the University have substantially exceeded acceptances. For graduate studies at the University, applications have also historically exceeded acceptances. The University believes that it will continue to attract adequate numbers of qualified applicants to maintain a relatively steady enrollment over the next several years.

Student Enrollment

The following table, based on fall registrations, shows the University's total enrollment for the current and last five academic years:

ENROLLMENT SUMMARY

	Full-Time				Part-Time					
Academic Year	Under-Graduate	Graduate & Professional	Non-Degree Candidates	Total Full-Time	Under-Graduate	Graduate & Professional	Non-Degree Candidates	Total Part-Time	Grand Total	Full-Time Equivalent
2004-05	18,525	11,278	77	29,880	1,687	7,918	12,449	22,054	51,934	33,492
2005-06	18,981	11,176	23	30,180	1,585	8,262	13,062	22,909	53,089	33,938
2006-07	19,482	11,599	41	31,122	1,483	8,306	13,069	22,858	53,980	34,838
2007-08	19,914	11,934	23	31,871	1,413	8,522	13,302	23,237	55,108	35,660
2008-09	19,842	12,395	50	32,287	1,427	8,525	12,728	22,680	54,967	36,056
2009-10	20,281	12,860	48	33,189	1,357	8,906	11,467	21,730	54,919	37,079

Enrollment Summary

The following table shows enrollment by school for the fall term of the 2009 – 2010 academic year.

ENROLLMENT BY SCHOOL
Fall 2009

	Full-Time	Part-Time	Total
Undergraduate			
College of Arts and Science	7,262	300	7,562
Liberal Studies Program	2,082	4	2,086
Steinhardt School of Culture, Education, and Human Development	2,477	54	2,531
Leonard N. Stern School of Business – Undergraduate College	2,389	30	2,419
School of Continuing and Professional Studies - Degree Credit Programs	721	699	1,420
Tisch School of the Arts	3,113	82	3,195
Gallatin School of Individualized Study	1,278	48	1,326
Silver School of Social Work	135	2	137
College of Dentistry	125	82	207
College of Nursing	699	56	755
Total Undergraduate Students	20,281	1,357	21,638
Graduate			
Graduate School of Arts & Science	2,573	1,177	3,750
Institute of Fine Arts	85	27	112
Steinhardt School of Culture, Education, and Human Development	2,357	1,523	3,880
Leonard N. Stern School of Business – Graduate Division	983	2,474	3,457
Robert F. Wagner Graduate School of Public Service	520	434	954
Silver School of Social Work	707	483	1,190
Tisch School of the Arts	715	21	736
Gallatin School of Individualized Study	70	111	181
School of Continuing and Professional Studies	604	1,603	2,207
Master's Program in Global Public Health	49	50	99
College of Nursing	30	588	618
College of Dentistry	238	24	262
School of Law	466	362	828
School of Medicine	-	12	12
Total Graduate Students	9,397	8,889	18,286
Professional			
School of Law	1,412	17	1,429
School of Medicine	748	-	748
College of Dentistry	1,303	-	1,303
Total Professional Students	3,463	17	3,480
Total Credit	33,141	10,263	43,404
Non-Credit			
College of Dentistry	-	255	255
School of Continuing and Professional Studies	48	11,212	11,260
Total Non-Credit	48	11,467	11,515
GRAND TOTAL	33,189	21,730	54,919

Degrees Conferred

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

DEGREES CONFERRED

Academic Year	Undergraduate	Graduate and Professional	Total
2004-05	6,519	7,447	13,966
2005-06	6,424	7,149	13,573
2006-07	6,555	7,387	13,942
2007-08	6.690	7.747	14,437
2008-09	6,482	7,732	14,214

Tuition and Fees

As indicated in the following table of charges for selected major divisions, tuition and fees vary from one division of the University to another. In most schools, there is a flat rate for a full-time program and a per point rate for courses constituting less or more than a full program. The undergraduate per point charge is $1,137 to $1,322 for the 2009-10 academic year, and was $1,096 to $1,274 for the 2008-09 academic year; $1,036 to $1,204 for the 2007-08 academic year; and $985 to $1,144 for the 2006-07 academic year.

TUITION CHARGES

	2009-2010	2008-2009	2007-2008	2006-2007
Undergraduate Tuition	$38,765-$42,549	$37,372-$41,016	$35,290-$38,730	$33,402-$36,662
Graduate Tuition (GSAS)	$1,331 per point	$1,264 per point	$1,196 per point	$1,136 per point
Leonard N. Stern School of Business - Graduate Division	$45,279	$43,942	$41,822	$39,586
College of Dentistry	$54,610	$52,510	$50,490	$48,548
School of Law	$45,999	$44,059	$41,969	$40,967
School of Medicine	$45,353	$43,976	$40,729	$37,750

For the 2009-10 academic year, dormitory charges average approximately $12,550. In 2008-09, dormitory charges averaged approximately $12,290, approximately $11,650 for 2007-08, and approximately $11,120 for 2006-07. For the 2009-10 academic year, board costs average approximately $4,016. In 2008-09, board charges averaged $4,016 as well. In 2007-08 board charges averaged $3,880 and in 2006-07 board charges averaged approximately $3,600.

For the fiscal years ended August 31, 2009 and August 31, 2008, tuition and fees, net of financial aid, for the University other than the School of Medicine accounted for approximately 59.3% and 61.0%, respectively, of the total operating revenues for the University other than the School of Medicine. Auxiliary enterprise revenues for the University other than the School of Medicine, which include dormitory and board charges, as a percent of the total operating revenues for the University other than the School of Medicine amounted to approximately 13.9% in fiscal year ended August 31, 2009 and 13.1% in fiscal year ended August 31, 2008.

Student Financial Aid

The University's admissions and financial aid programs are designed to enable qualified students to attend the University regardless of their financial circumstances. Undergraduate and graduate students receive financial aid from loans, employment, government sources and University funds. Financial aid provided from the Federal and State governments is an important source of funds for students who otherwise might not be able to attend the University because of insufficient financial means.

In the 2008-09 academic year, approximately 31,700 students received financial aid. In the 2008-09 academic year, the University provided financial aid totaling $267.4 million (an increase of $40.7 million over the financial aid provided by the University in the 2007-08 academic year). Funds from federal and State grant programs provided another $33.9 million. In addition, students borrowed approximately $660 million, including approximately $2.9 million from University sources, participated in the federal College Work-Study Program earning wages of approximately $9.8 million and held part-time employment on and off campus to help meet their costs of education.

State Aid to the University

The University benefits from a State program under which State aid is allocated to independent post secondary institutions based on the number of certain academic degrees conferred in the preceding year. Specified dollar amounts are received for each bachelor's degree, master's degree and doctoral degrees awarded. The University uses these funds to support the student aid budget. During the 2006-07, 2007-08, and 2008-09 New York State fiscal years (which ended March 31), the University received $ 4.9 million, $4.9 million, and $4.7 million, respectively, in such aid. Future payments by the State are dependent on the enactment of annual appropriations and the ability of the State to pay the sums appropriated.

Faculty

In Fall 2008 (the most recent year for which data is available), total faculty members at the University numbered 7,235 of whom 3,695 held full-time appointments. 19% of the total full-time faculty members were tenured. The majority of the University's faculty is appointed within one of the three principal academic ranks: professor, associate professor and assistant professor. Salaries and fringe benefits are competitive with those offered by comparable institutions both regionally and nationally.

The following table sets forth the faculty profile for the preceding academic years:

FACULTY PROFILE

Fiscal Year	Full-time Faculty	Part-time Faculty	Total Faculty	Full-Time Equivalent Faculty	Percent of Total Faculty Tenured
2004-05	3,182	3,058	6,240	4,201	22%
2005-06	3,202	2,735	5,937	4,114	23%
2006-07	3,363	3,392 *	6,755	4,494	21%
2007-08	3,615	3,394	6,909	4,746	20%
2008-09	3,695	3,540	7,235	4,875	19%

* Approximately 400 of the increase from prior year is due to a change in method of counting the part-time faculty.

Labor Relations

The University has had a history of satisfactory labor relations for over sixty years. A contract with Local 810, International Brotherhood of Teamsters, covering skilled maintenance employees expires on June 30, 2013. Two contracts with Local 32BJ, Service Employees International Union (SEIU), AFL-CIO, covering apartment house service employees, expire on April 21, 2010. The University has two other contracts with Local 32BJ, one covering employees working in several academic buildings which expires December 31, 2011 and the other covering a small unit of window washers which expired on June 30, 2008 (a renewal agreement is expected to be reached in the near future). A contract with Security Officers Union, Local 1, covering security officers, expires on June 30, 2012. A contract with Local 3882, New York State United Teachers, AFT, AFL-CIO, covering office, clerical and technical employees, expires on October 31, 2011. Two contracts with 1199, National Health and Human Services Employees Union SEIU, AFL-CIO, covering technical employees, expire on September 30, 2011. A contract with the UAW (United Automobile, Aerospace and Agricultural Implement Workers of America), covering certain adjunct faculty expires on August 31, 2010.

FINANCIAL STATEMENT INFORMATION

University Finances

The University's Board of Trustees reviews and approves the University's budget for each academic year and generally requires that the University have a balanced operating budget. Capital budgets also are prepared annually with the requirement that all capital spending be covered either by current receipts or by approved borrowing sources.

The University's financial statements are prepared in accordance with generally accepted accounting principles and the University's consolidated audited financial statements as of August 31, 2008 are included as Appendix B to the Official Statement. Because the University has a controlling interest in the Hospital and Polytechnic Institute, SOP 94-3 requires that the financial statements of the University, the Hospital and Polytechnic Institute be presented on a consolidated basis. See "INTRODUCTION – The University" and Note 1 in "Appendix B – Consolidated Financial Statement of New York University and Report of the Independent Auditors." Supplemental Schedules to the Consolidated Financial Statements set forth information about each component consolidated entity, and the information in the Supplemental Schedules in the columns entitled "Washington Square" and "School of Medicine" represents the financial information with respect to the University. Only the University is obligated under the Loan Agreement to make payments with respect to the Series 2009A Bonds. The Hospital and Polytechnic Institute are not liable for any obligations of the University and the University is not liable for any obligations of the Hospital or Polytechnic Institute.

The following tables summarize the unrestricted revenues and expenditures and other changes in net assets and the balance sheets for the University for the past five completed fiscal years. The tables are derived from the audited financial statements of the University for fiscal years 2004, 2005, 2006 and 2007 (i.e., the period prior to the University becoming the sole member of the Hospital and Polytechnic University). The information in the tables for fiscal year 2008 was derived from the consolidating information in the columns entitled "Washington Square" and "School of Medicine" included on pages 26 through 32 in the Supplemental Schedules to the Consolidated Financial Statements in Appendix B. The University's audited consolidated financials should be read in conjunction with the Supplemental Schedules.

Substantially all University employees are covered by retirement programs. These plans include various defined contribution plans and multi-employer defined benefit plans, and two University-sponsored defined benefit plans. The University also provides certain health care and life insurance benefits for eligible retired employees. See Notes 12 and 13 in "Appendix B – Consolidated Financial Statements of New York University and Report of the Independent Auditors." The University implemented SFAS 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, an amendment to FASB Statements Nos. 87, 106 and 132(R)" (SFAS 158). This standard requires that the University recognize the funded status of a benefit plan, either pension or defined benefit postretirement plan, as an asset or liability in the balance sheet. SFAS 158 requires that the status of all under funded plans be aggregated and recognized as a liability on the balance sheet and that actuarial gains and losses and prior service costs or credits are to be recognized as an increase or decrease to net assets.

The performance of the University's investments since August 31, 2008 is described under "Investments" below. There has been no material adverse change in the operating results of the University since August 31, 2008.

Balance Sheet
(University)

Years ended August 31,
(in thousands)

	2008	2007	2006	2005	2004
Assets					
Cash and cash equivalents	$739,747	$13,878	$9,863	$15,585	$27,067
Short-term investments	205,032	1,236,040	559,306	489,807	419,345
Accounts and loans receivable, net	243,984	265,847	304,189	268,974	274,484
Patient accounts receivable, net*	40,772	-	-	-	-
Contributions receivable, net	368,601	369,466	312,026	299,298	357,062
Other assets	136,867	135,436	84,816	66,998	57,227
Deposits with trustees	489,989	267,114	147,652	172,409	57,172
Collateral for securities loaned	78,513	100,853	97,385	82,376	73,555
Long-term investments	2,496,323	2,196,270	1,873,320	1,643,177	1,472,012
Land, buildings, and equipment, net	2,278,631	1,898,556	1,848,709	1,782,256	1,702,755
Total Assets	7,078,459	6,483,460	5,237,266	4,820,880	4,440,679
Liabilities and Net Assets					
Liabilities:					
Accounts payable and accrued expenses	$409,913	$329,996	$293,827	$270,199	$247,147
Deferred revenue	609,153	572,715	517,174	471,898	470,749
Security loan agreements payable	78,513	100,853	97,385	82,376	73,555
Bonds and notes payable	1,640,203	1,156,442	1,063,377	1,105,447	983,190
Federal grants refundable	70,779	69,851	69,162	69,471	75,006
Accrued benefit obligation	38,007	26,793	43,759	65,561	50,792
Accrued postretirement obligation	258,740	248,599	209,194	192,671	172,532
Asset retirement obligation**	105,187	100,868	95,181	-	-
Total liabilities	3,210,495	2,606,117	2,389,059	2,257,623	2,072,971
Net Assets:					
Unrestricted	2,373,499	2,436,839	1,549,123	1,367,794	1,175,491
Temporarily restricted	366,325	398,968	327,896	301,825	317,248
Permanently restricted	1,128,140	1,041,536	971,188	893,638	874,969
Total net assets	3,867,964	3,877,343	2,848,207	2,563,257	2,367,708
Total liabilities and net assets	$7,078,459	$6,483,460	$5,237,266	$4,820,880	$4,440,679

* Patient accounts receivable, net are included as a part of Accounts and loans receivable, net prior to 2008.

** Upon adoption of FIN 47 in 2006, the University began to recognize asset retirement obligations on future events, such as the abatement of asbestos, lead-based paint and petroleum bulk storage tank removal from buildings.

Summary of Activities
(University)

Years ended August 31,
(in thousands)

	2008	2007	2006	2005	2004
Changes in unrestricted net assets					
Operating revenues					
Tuition and fees (net of financial aid awards of $226,673 in 2008, $215,330 in 2007, $206,222 in 2006, $196,654 in 2005, and $172,151 in 2004)	$1,170,781	$1,077,675	$985,803	$910,115	$847,788
Grants and contracts	304,999	290,036	273,215	277,311	260,736
Patient care	334,378	300,793	275,393	273,673	242,245
Hospital affiliations	246,019	147,199	130,115	113,744	106,879
New York State appropriation	4,592	6,640	5,284	5,152	5,530
Contributions	122,864	87,697	86,003	79,877	62,196
Endowment distribution and return on short term investments	117,978	112,421	84,942	75,716	70,176
Auxiliary enterprises	347,237	331,935	326,914	313,811	292,986
Royalties*	-	38,558	93,934	78,328	65,703
Program fees and other	120,152	98,706	99,147	97,034	109,947
Net assets released from restrictions	134,221	102,909	92,424	98,117	83,950
Total operating revenues	2,903,221	2,594,569	2,453,174	2,322,878	2,148,136
Operating expenses:					
Instruction and other academic programs	1,179,727	1,116,305	1,004,015	940,645	859,640
Research and other sponsored programs	299,373	273,059	247,724	246,949	219,838
Patient care	296,742	270,104	245,740	241,348	209,782
Libraries	66,106	57,182	54,137	51,847	47,655
Student services	101,913	96,727	89,813	87,448	84,093
Hospital affiliations	241,219	149,384	133,098	116,660	108,857
Institutional services	262,082	228,206	208,560	192,300	180,354
Auxiliary enterprises	391,043	367,654	353,194	340,225	335,790
Total operating expenses	2,838,205	2,558,621	2,336,281	2,217,422	2,046,009
Excess of operating revenues over operating expenses	65,016	35,948	116,893	105,456	102,127
Non-operating activities:					
Investment return in excess of endowment distribution	(137,661)	181,182	130,542	106,040	66,085
Other	5,942	50,987	(4,464)	2,026	(3,853)
Gain on sale of royalty revenue stream*	-	641,462	-	-	-
Net assets released from restrictions for capital purposes	6,326	-	-	-	-
Changes in pension and postretirement benefits	(2,963)	-	-	-	-
Minimum pension liability adjustment	-	9,926	18,110	(21,219)	384
Increase in unrestricted net assets before cumulative effect of change in accounting principle	(63,340)	919,505	261,018	192,303	164,743
Cumulative effect of change in accounting principle	-	-	(79,752)	-	-
Effect of adoption of SFAS No. 158	-	(31,789)	-	-	-
Increase (decrease) in unrestricted net assets	(63,340)	887,716	181,329	192,303	164,743
Changes in temporarily restricted net assets:					
Contributions	125,813	187,025	123,184	111,464	93,401
Investment return, net	(1,975)	(141)	(571)	1,275	1,060
Other	(15,935)	(12,903)	(4,118)	(30,045)	(19,653)
Net assets released from restrictions	(140,547)	(102,909)	(92,424)	(98,117)	(83,950)
Increase (decrease) in temporarily restricted net assets	(32,644)	71,072	26,071	(15,423)	(9,142)
Changes in permanently restricted net assets					
Contributions	94,739	68,475	85,861	36,324	49,000
Other	(8,135)	1,873	(8,311)	(17,655)	(8,959)
Increase in permanently restricted net assets	86,604	70,348	77,550	18,669	40,041
Change in net assets	$(9,380)	$1,029,136	$284,950	$195,549	$195,642

* Operating revenues from royalties shown above for the fiscal years 2004 through 2007 consist primarily of a royalty income stream attributable to the University's interest in sales of Remicade, a drug used to treat inflammatory disorders involving the immune system. In May 2007, the University sold to Royalty Pharma Finance Trust (an affiliate of Royalty Pharma) its interests in the royalty income stream attributable to Remicade sales subsequent to January 1, 2007. In consideration for the sale, the University received approximately $641.4 million and the right under certain circumstances to receive a portion of future royalty payments.

Contributions, Grants and Contracts

Contributions (which include the net change in present value of collectible pledges receivable) for the fiscal years ended August 31, 2009 (unaudited), 2008, 2007, 2006 and 2005 were reflected in the Statements of Activities (in accordance with Generally Accepted Accounting Principles in the United States of America) as follows:

CONTRIBUTIONS
(in thousands)

	(unaudited) 2009	2008	2007	2006	2005
Unrestricted net assets	$ 129,111	$ 122,864	$ 87,697	$ 86,003	$ 79,877
Temporarily restricted net assets	81,721	125,813	187,025	123,184	111,464
Permanently restricted net assets	49,269	94,739	68,475	85,861	36,324
Total	$ 260,101	$ 343,416	$343,197	$295,048	$227,665

The University has long been a center of programs of research and training. Government grants and contracts provide most of the funds for sponsored programs although additional amounts come from industry, foundations and interested individuals. For the fiscal year ended August 31, 2008, approximately $305 million was provided to the University for research and other sponsored programs, including $261.2 million from federal, State and City government grants and contracts. See Note 15 in "Appendix B – Consolidated Financial Statements of New York University and Report of the Independent Auditors." In comparison, for the fiscal year ended August 31, 2007, approximately $290 million was provided to the University for research and other sponsored programs, including $247 million from federal, State and City government grants and contracts.

Development

The University completed the "Campaign for NYU" on August 31, 2008, having raised $3.07 billion. The Campaign for NYU began in 2001 with a goal of raising $2.5 billion needed to dramatically increase the University's capacities in five main areas: student aid, programmatic support, faculty recruitment and retention, facilities renovation, and unrestricted annual fund dollars. The Campaign far exceeded its original goal.

Allocation of Funds – the Campaign for NYU

	Amount (in millions)	Percentage
Programmatic	$1,207	40%
Faculty, Staff, Research	704	23
Capital, Equipment & Technology	504	16
Financial Aid	376	12
Unrestricted	284	9
Total	$3,075	100%

The University has begun several mini campaigns including "NYU's Call to Action" with a goal of raising $300 to $400 million in support of financial aid over the next five years, the Campaign for the Center for Genomics and Systems Biology in support of the Genomics Building, and the Stern Concourse Project.

The amounts set forth under this heading "Development" reflect gifts and pledges at face value (and not discounted present value as would be required Generally Accepted Accounting Principles in the United States of America).

Investment in Plant

The University's physical plant includes approximately 150 buildings, containing approximately 15 million gross square feet, and approximately 260 acres of land. The book value of the University's investment in plant, net of accumulated depreciation, was approximately $2.3 billion at August 31, 2008. Following is a summary of the University's investment in plant at the end of each of the last five fiscal years:

Investment in Plant
August 31, (in thousands)

2004	$1,702,755
2005	1,782,256
2006	1,848,709
2007	1,898,556
2008	2,278,631

The University carries all-risk property insurance coverage on its buildings and their contents, excluding land and foundations. Such insurance presently provides coverage of $3.3 billion for any one occurrence and has no co-insurance clause. The deductible amount currently is $250,000 for each occurrence at the Washington Square campus and $100,000 at the SOM campus. Also, the University carries general liability insurance coverage in the amount of $300 million with a self-insured retention of $500,000 per claim, which the University's management believes to be sufficient for its operations. The University also purchases statutory Worker's Compensation insurance. This program is a guaranteed cost risk transfer product which removes Worker's Compensation liability directly to the insurer for 100% of all losses.

Investments

The University maintains investments in a long-term pool (the investments primarily being endowment funds) and in short-term investments (the investments primarily being working capital).

Long-Term Investments

The following table summarizes the market value of the University's long-term investments broken down by restriction at August 31, 2008:

Long-Term Investments at August 31, 2008
(in thousands)

	Market Value
Permanently Restricted	$ 1,452,466
Temporarily Restricted	54,499
Unrestricted - Designated for Investment	989,358
Total	$ 2,496,323

As of August 31, 2008, approximately $2,494 million of long-term investments were endowment funds.

Subsequent to August 31, 2008, the U.S. and global financial markets experienced significant volatility and illiquidity due, in part, to economic conditions and declines in the financial sector. The University's investment portfolio has experienced similar negative volatility, resulting in a decline of approximately 12% in the market value of long term investments from August 31, 2008 to August 31, 2009. As of August 31, 2009, the market value of long-term investments was approximately $2,222 million, of which approximately $2,196 million were endowment funds.

Endowment Funds

Endowment funds are managed to achieve the maximum prudent long-term return. At August 31, 2009, endowment funds were distributed across 105 discrete investment accounts with 72 different managers, with no single manager accounting for more than 13% of the total. The University's Board of Trustees has authorized a policy designed to allow asset growth while providing a predictable flow of return to support operations. This policy permits the use of total return as operating revenues at approved spending rates (5% in fiscal years 2008 and 2009). This rate is applied to the twelve-quarter moving average fair value of the endowment fund.

In response to market volatility, the Asset Class allocation of Endowment funds was redistributed.

Summary by Asset Class
(unaudited)

Type	Percentage of Market Value	
	August 31, 2009	August 31, 2008
Fixed income securities	35%	29%
Marketable Equity securities	23%	29%
Private Equity and Real Assets	9%	9%
Absolute return	33%	33%
Total	100%	100%

At August 31, 2009 unfunded capital commitments were $189 million. The University has experienced capital calls averaging approximately $40 million per year for the last five fiscal years.

The table below summarizes the market value and total return of the University's endowment funds for each of the last five years ended August 31, 2009:

Changes in Endowment Funds[1]
(in millions)

Fiscal Year Ending	Beginning Market Value	Gifts & Additions	Change in Value of Investments	Spending Policy	Liquidations & Transfers[3]	Ending Market Value
8/31/05	$1,423.6	$ 90.9	$178.9	($64.9)	($33.3)	$1,595.2
8/31/06	1,595.2	126.1	199.0	(68.1)	(25.3)	1,826.9
8/31/07	1,826.9	149.4	267.2	(77.2)	(22.9)	2,143.4
8/31/08	2,143.4	537.5[2]	(45.9)	(87.5)	(53.3)	2,494.2
8/31/09	2,494.2	102.5	(274.0)	(96.5)	(30.3)	2,195.9

1 Unaudited. The Hospital's endowment funds are pooled with those of the University for all periods and accounted for approximately $20.4 million of the Ending Market Value at 8/31/2009 and approximately $19.1 million of Liquidations and Transfers. The investments of the Hospital are not available to pay obligations of the University.

2 Includes $300 million of the proceeds from the sale of the University's interest in the royalty stream attributable to Remicade; the balance of the proceeds from the sale is held as part of short-term investments.

3 Liquidations and Transfers are defined as funds distributed from endowment funds for designated uses.

Liquidity and Short-Term Investments

The University's short-term investments fluctuate from a low of approximately $350 million immediately prior to the start of the academic year to a high of approximately $800 million after tuition has been collected. Working capital is invested primarily in short term fixed rate obligations which can be liquidated in less than 30 days. Of these amounts, approximately $100 million are designated in purpose.

The University is party to contractual loan agreements or lines of credit with two banks. The first has maximum availability of $100 million and the second has maximum availability of $300 million. Both expire in mid-2011. As described below under "Outstanding Long-Term Debt," at August 31, 2009 approximately $193.4 million had been drawn under the two lines of credit. The University repaid a portion of such lines of credit with the proceeds of taxable fixed rate bonds issued by the University on November 5, 2009 and the University expects to repay an additional portion of such lines of credit in 2009 with a portion of the proceeds of the Series 2009B Bonds expected to be issued on or about December 10, 2009. After repayment, it is expected that approximately $31 million will remain outstanding under the lines of credit and $369 million will be available to be drawn by the University.

Outstanding Long-Term Debt

At August 31, 2008, the aggregate outstanding principal amount of long-term debt of the University was approximately $1,604 million. All of the indebtedness is a general obligation of the University secured as described below.

On June 11, 2009, the University drew $166.4 million on its lines of credit to retire loans held by the Student Loan Marketing Association. At August 31, 2009, the University had no outstanding obligations to the Student Loan Marketing Association and there was approximately $193.4 million outstanding under the University's lines of credit. On November 5, 2009, the University issued $103 million of taxable bonds and used the proceeds of such bonds to repay a portion of the outstanding lines of credit. The University expects to repay an additional portion of the lines of credit with a portion of the proceeds of the Series 2009B Bonds. The remaining amount outstanding under the lines of credit is being used to provide interim financing during construction of certain University capital projects.

Non-Dormitory Authority Indebtedness. At August 31, 2008, the University's outstanding long-term indebtedness to institutions other than the Dormitory Authority was approximately $250 million. The following is a description of the loans that comprise that indebtedness (other than the Student Loan Marketing Association loans which have been repaid as described above).

1. The University has a loan from the Federal Department of Education made in 1987. The loan bears interest at 3% per annum and matures on November 1, 2017. The loan amortizes over its term in substantially equal annual installments of interest and principal of approximately $178,000. At August 31, 2008, the outstanding principal amount of the loan was approximately $1.5 million. The maximum debt service payable on the loan in any fiscal year is approximately $178,000 in the University's fiscal year ending August 31, 2016. The loan, which financed the conversion of an academic building to a residence hall, is secured by a pledge of marketable securities the market value of which was approximately $2 million at August 31, 2008.

2. The University was indebted to the New York City Industrial Development Agency ("IDA") for a loan made on October 18, 2001 in the principal amount of $64.2 million. The loan and the IDA bonds that financed it amortize through annual payments of principal and interest of approximately $4.1 million per year beginning in the University's fiscal year ending August 31, 2011 through, and including, the year ending August 31, 2041. Prior to that period, the University will make interest payments of approximately $3.2 million per annum. The maximum debt service payable on the bonds and the loan in any fiscal year is approximately $4.1 million in the year ending August 31, 2011. The loan was made to finance construction and equipping a portion of a mixed-use building for the New York University School of Law. The loan is secured by a pledge of tuition and student fees for academic instruction. The maximum amount of tuition and fees subject to the pledge is the maximum amount of debt service payable in any one year on the IDA bonds to finance the loan. The pledge is subordinate to the pledges on the loans pertaining to the Dormitory Authority 1998, 2001A, 2001 Series 1 and 2001 Series 2 Bonds, and prior to the pledges on the Dormitory Authority 2003, 2004, 2007A and 2008 Bonds.

3. The University entered into a lease agreement to occupy a building in the area of its Washington Square campus, effective March 18, 2004. Annual lease payments for the first year are $1 million, and escalate thereafter at 3% per annum from the previous year. Under the terms of the lease agreement, the University has an option to purchase the building effective on or after December 15, 2013 for $16 million. The agreement is being accounted for as a capitalized lease with an imputed interest rate of 4.84% through 2012 and has an outstanding principal balance of $17.5 million as of August 31, 2008. The maximum annual payment under the agreement, assuming the University does not exercise its option to purchase, is $4.1 million in the University's fiscal year ending August 31, 2052.

Dormitory Authority Indebtedness. The University is indebted to the Dormitory Authority for loans made from the proceeds of its bonds. The various agreements between the University and the Dormitory Authority entered into in connection with the loans obligate the University to make payments in amounts and at times sufficient to make timely payment of the principal of and interest on the Dormitory Authority's bonds issued to finance the loans. All of the University's outstanding indebtedness to the Dormitory Authority issued prior to the Series 2008 Bonds is secured by a pledge of tuition and fees for academic instruction. At August 31, 2008, the aggregate principal of the indebtedness to the Dormitory Authority and of Dormitory Authority bonds outstanding was approximately $1,355 million. The following is a summary of the loans that comprise the indebtedness to the Dormitory Authority.

1. The University is indebted to the Dormitory Authority for a loan made in 1998. At August 31, 2008, the outstanding principal amount was $207.9 million. The loan and the Dormitory Authority's Series 1998A Bonds that financed it amortize through substantially level annual payments of principal and interest. The loan and the bonds mature on July 1, 2027. The maximum debt service payable on the bonds and the loans in any fiscal year is approximately $18.3 million in the University's fiscal year ending August 31, 2013. The loan was made to finance the construction of two residence halls and renovations and improvements of various facilities at the Washington Square campus.

2. The University is indebted to the Dormitory Authority for a loan made on April 3, 2001. The proceeds of the loan refinanced the Dormitory Authority's Series 1991 Bonds. The original principal amount of the loan was approximately $123.6 million. At August 31, 2008, the outstanding principal amount was $71.2 million. The loan and the Dormitory Authority's 2001A Bonds that financed it amortize through substantially level annual payments of principal and interest. The loan and the Series 2001A Bonds mature on July 1, 2015. The maximum debt service payable on the bonds and the loan in any fiscal year is approximately $13.2 million in the University's fiscal year ending August 31, 2011.

3. The University is indebted to the Dormitory Authority for a loan made on May 3, 2001 in the principal amount of $120 million. The loan and the Dormitory Authority's 2001 Series 1 Bonds that financed it amortize through annual payments of principal and interest of approximately $8.3 million per year beginning in the University's fiscal year ending August 31, 2011 through, and including, the year ending August 31, 2040. Prior to that period, the University will make interest payments of approximately $6.6 million per annum. The maximum debt service payable on the bonds and the loan in any fiscal year is approximately $8.3 million in the year ending August 31, 2031. The loan was made to finance the acquisition of a faculty residence facility near the Washington Square campus, construction of a research facility at the SOM campus and reconstruction, renovation and deferred maintenance of, and equipment and information systems purchases for, facilities at the Washington Square and SOM campuses.

4. The University is indebted to the Dormitory Authority for a loan made on September 13, 2001 in the principal amount of $94.3 million. The loan and the Dormitory Authority's 2001 Series 2 Bonds that financed it amortize through annual payments of principal and interest of approximately $6.1 million per year beginning in the University's fiscal year ending August 31, 2011 through, and including, the year ending August 31, 2041. Prior to that period, the University will make interest payments of approximately $4.8 million per annum. The maximum debt service payable on the bonds and the loan in any fiscal year is approximately $6.1 million in the year ending August 31, 2019. The loan was made to finance the acquisition of a faculty residence facility near the Washington Square campus, construction of a research facility at the SOM campus, and reconstruction, renovation and deferred maintenance of, and equipment and information systems purchases for, facilities at the Washington Square and School of Medicine campuses.

5. The University is indebted to the Dormitory Authority for loans made on May 15, 2003 in the principal amount of approximately $101.1 million. The proceeds of the loans refinanced the Dormitory Authority's Series 1993 Bonds and provided approximately $30 million to finance reconstruction, renovation and deferred maintenance of, and equipment and information systems purchases for, facilities at the Washington Square campus and certain other property in Manhattan. The portion of the loan used to refinance the 1993 Bonds, and the 2003A Bonds that financed such portion of the loan amortize through 2011, requiring annual payments of principal and interest. At August 31, 2008, the outstanding principal amount was $37.0 million. The maximum annual debt service on this portion of the loan is $16.4 million in the year ending August 31, 2009. The principal portion of the loan financing $30 million of capital projects at the Washington Square campus and the 2003B Bonds issued to finance them requires interest payments of $1.3 million per annum up to and including the year ending August 31, 2011 and a

balloon principal payment of $26.9 million at maturity on July 1, 2011. The original principal balance of such portion of the loan and the balance at August 31, 2008 was $26.9 million.

6. The University is indebted to the Dormitory Authority for a loan made on September 9, 2004 in the principal amount of $54.8 million. The loan and the Dormitory Authority's Series 2004A Bonds that financed it amortize through annual payments of principal beginning in the University's fiscal year ending August 31, 2014 through, and including, the year ending August 31, 2034. Prior to that period, the University will make interest payments only. The 2004A Bonds, in the principal amount of $54.8 million, are fixed rate bonds on which interest payments are approximately $2.7 million per annum through, and including, August 31, 2013, and amortize through annual payments of principal and interest of approximately $4.3 million per year through and including the year ending August 31, 2034. Until March 18, 2008 and March 20, 2008, the University was also indebted to the Authority for loans made on September 9, 2004 in the principal amount of $53.775 million and $44.750 million, respectively. The aggregate outstanding loans and the Authority's 2004B1 and 2004B2 variable rate auction bonds that financed the loans (collectively, the "2004B Bonds") were redeemed on March 18, 2008 and March 20, 2008, respectively. Such redemptions were financed by draws on the line of credit of equal amount. Proceeds from the Series 2008C Bonds (described below) were used to repay the balance drawn from the line of credit.

The proceeds of the 2004A Bonds (as well as the proceeds of the 2004B Bonds) have been used in connection with the acquisition of a building in Manhattan and to pay for the costs of reconstruction, renovation and deferred maintenance of, and equipment and information systems for, certain facilities at the Washington Square campus and certain other property in Manhattan.

7. The University is indebted to the Dormitory Authority for a loan made on June 14, 2007 in the principal amount of $126.1 million. The loan and the Dormitory Authority's Series 2007A Bonds that financed it amortize through annual payments of principal and interest of approximately $9.8 million per year beginning in the University's fiscal year ending August 31, 2017 through, and including, the year ending August 31, 2037. Prior to that period, the University will make interest payments of approximately $6.3 million per annum. The maximum debt service payable on the bonds and the loan in any fiscal year is approximately $9.9 million in the year ending August 31, 2037. The loan was made to finance the upgrade and expansion of the University's co-generation facility, which provides electricity, hot water and chilled water to many of the University's buildings at the Washington Square campus.

8. The University is indebted to the Dormitory Authority for loans made on June 19, 2008 in the principal amount of approximately $616.5 million. The loan and the Dormitory Authority's Series 2008A, 2008B, 2008C and 2008D Bonds that financed it (collectively, the "Series 2008 Bonds") amortize through annual payments of principal beginning in the University's fiscal year ending August 31, 2010 through, and including, the year ending August 31, 2048. Prior to that period, the University will make interest payments only. No security interest in any revenues or assets of the University has been granted by the University.

The 2008A Bonds, in principal amount of $280.3 million, amortize through annual payments of principal and interest of approximately $17.4 million per year beginning in the University's fiscal year ending August 31, 2013 through, and including, the year ending August 31, 2048. Prior to that period, the University will make interest payments of approximately $14.2 million per annum. The maximum debt service payable on the bonds and the loan in any fiscal year is approximately $17.4 million in the year ending August 31, 2027. The loan, in connection with an additional loan and the Dormitory Authority's 2008D Bonds that financed it, was made to acquire the Gramercy Green student residence facility, which houses approximately 900 undergraduate students.

The 2008B Bonds, in principal amount of $226.7 million, amortize through annual payments of principal and interest of approximately $13.6 million per year beginning in the University's fiscal year ending August 31, 2010 through, and including, the year ending August 31, 2038. Annual payments of principal and interest will decrease to approximately $12.8 million per year beginning in the University's fiscal year ending August 31, 2039 through, and including, the year ending August 31, 2048. For the University's fiscal year ended August 31, 2009, the University will make an interest payment of approximately $10.8 million. The maximum debt service payable on the bonds and the loan in any fiscal year is approximately $13.6 million in the year ending August 31, 2014. The loan was made to acquire and renovate an office building at 22 Washington Square North.

The 2008C Bonds, in principal amount of $98.8 million, amortize through annual payments of principal and interest of approximately $6.4 million per year beginning in the University's fiscal year ending August 31, 2010 through, and including, the year ending August 31, 2038. For the University's fiscal year ended August 31, 2009, the University will make an interest payment of approximately $4.4 million. The maximum debt service payable on the bonds and the loan in any fiscal year is approximately $6.4 million in the year ending August 31, 2021. The loan was made to repay a Line of Credit that financed the redemption of the Authority's 2004B Bonds.

The 2008D Bonds, in principal amount of $10.7 million, amortize through annual payments of principal and interest of approximately $3.1 million per year beginning in the University's fiscal year ending August 31, 2010 through, and including, the year ending August 31, 2013. For the University's fiscal year ended August 31, 2009, the University will make an interest payment of approximately $0.5 million. The maximum debt service payable on the bonds and the loan in any fiscal year is approximately $3.1 million in the year ending August 31, 2011. The loan, in connection with an additional loan and the Dormitory Authority's 2008A Bonds that financed it, was made to acquire the Gramercy Green student residence facility, which houses approximately 900 undergraduate students.

Additional Borrowing Plans

The University has requested that the Authority issue approximately $64 million principal amount of the Series 2009B Bonds in December 2009. The Series 2009B Bonds are to be issued under the Resolution on or about the date of issuance of the Series 2009A Bonds. The Series 2009B Bonds are expected to be issued to repay a portion of the outstanding lines of credit described above under "Outstanding Long-Term Debt."

The University has authorized the acquisition, renovation and construction of capital projects that are expected to be financed, in part, through the issuance of approximately $190 million of tax exempt bonds by the Authority in 2010. The financing is subject to satisfactory progress on these projects and market conditions at the time of sale. The University continues in the ordinary course to consider additional borrowings in support of its programs, the needs of its students, and its other educational and charitable activities.

Financial Advisor

Fairmount Capital Advisors, Inc. is serving as financial advisor to the University in connection with the issuance of the Series 2009A Bonds.

LITIGATION AND CONTINGENT LIABILITIES

Funds expended by the University under government grants and contracts are subject to audit and claims for reimbursement by governmental agencies. The University also is a defendant in various legal actions arising out of the normal course of its operations. Although the outcome of any such claims or actions cannot be currently determined, the University's administration is of the opinion that the eventual liability therefrom, if any, will not have a material effect on the financial position of the University or on its ability to make required debt service payments.

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PART 7 - THE AUTHORITY

Background, Purposes and Powers

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

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

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

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

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

At September 30, 2009, the Authority had approximately $40.5 billion aggregate principal amount of bonds and notes outstanding, excluding indebtedness of the Agency assumed by the Authority on September 1, 1995 pursuant to the Consolidation Act. The debt service on each such issue of the Authority's bonds and notes is paid from moneys received by the Authority or the trustee from or on behalf of the entity having facilities financed with the proceeds from such issue or from borrowers in connection with its student loan program.

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

The total amounts of the Authority bonds and notes (excluding debt of the Agency assumed by the Authority on September 1, 1995 pursuant to the Consolidation Act) outstanding at September 30, 2009 were as follows:

Public Programs	Bonds Issued	Bonds Outstanding	Notes Outstanding	Bonds and Notes Outstanding
State University of New York Dormitory Facilities	$ 2,250,196,000	$ 943,590,000	$ 0	$ 943,590,000
State University of New York Educational and Athletic Facilities	13,243,272,999	5,698,118,149	0	5,698,118,149
Upstate Community Colleges of the State University of New York	1,590,645,000	666,520,000	0	666,520,000
Senior Colleges of the City University of New York	9,935,931,762	3,040,924,213	0	3,040,924,213
Community Colleges of the City University of New York	2,394,073,350	494,235,787	0	494,235,787
BOCES and School Districts	2,436,626,208	1,896,100,000	0	1,896,100,000
Judicial Facilities	2,161,277,717	724,132,717	0	724,132,717
New York State Departments of Health and Education and Other	5,808,800,000	4,100,145,000	0	4,100,145,000
Mental Health Services Facilities	7,460,120,000	4,063,400,000	0	4,063,400,000
New York State Taxable Pension Bonds	773,475,000	0	0	0
Municipal Health Facilities Improvement Program	985,555,000	781,415,000	0	781,415,000
Totals Public Programs	$ 49,039,973,036	$ 22,408,580,866	$ 0	$ 22,408,580,866

Non-Public Programs	Bonds Issued	Bonds Outstanding	Notes Outstanding	Bonds and Notes Outstanding
Independent Colleges, Universities and Other Institutions	$ 17,954,180,260	$ 8,987,987,488	$ 35,975,000	$ 9,023,962,488
Voluntary Non-Profit Hospitals	13,963,224,309	8,100,385,000	0	8,100,385,000
Facilities for the Aged	1,996,020,000	925,580,000	0	925,580,000
Supplemental Higher Education Loan Financing Program	95,000,000	0	0	0
Totals Non-Public Programs	$ 34,008,424,569	$ 18,013,952,488	$ 35,975,000	$ 18,049,927,488
Grand Totals Bonds and Notes	$ 83,048,397,605	$ 40,422,533,354	$ 35,975,000	$ 40,458,508,354

Outstanding Indebtedness of the Agency Assumed by the Authority

At September 30, 2009, the Agency had approximately $344.0 million aggregate principal amount of bonds outstanding, the obligations as to all of which have been assumed by the Authority. The debt service on each such issue of bonds is paid from moneys received by the Authority (as successor to the Agency) or the trustee from or on behalf of the entity having facilities financed with the proceeds from such issue.

The total amounts of the Agency's bonds (which indebtedness was assumed by the Authority on September 1, 1995) outstanding at September 30, 2009 were as follows:

Public Programs	**Bonds Issued**	**Bonds Outstanding**
Mental Health Services Improvement Facilities..............	$ 3,817,230,725	$ 0
Non-Public Programs	**Bonds Issued**	**Bonds Outstanding**
Hospital and Nursing Home Project Bond Program.........	$ 226,230,000	$ 3,255,000
Insured Mortgage Programs	6,625,079,927	333,035,000
Revenue Bonds, Secured Loan and Other Programs........	2,414,240,000	7,670,000
Total Non-Public Programs...	$ 9,265,549,927	$ 343,960,000
Total MCFFA Outstanding Debt.....................................	$ 13,082,780,652	$ 343,960,000

Governance

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

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

The current members of the Authority are as follows:

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

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

Carney holds a Bachelors degree in Philosophy from Trinity College and a Juris Doctor degree from the University of Virginia School of Law. His current term expires on March 31, 2010.

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

John B. Johnson, Jr. was appointed as a Member of the Authority by the Governor on June 20, 2007. Mr. Johnson is Chairman of the Board and Chief Executive Officer of the Johnson Newspaper Corporation, which publishes the Watertown Daily Times, Batavia Daily News, Malone Telegram, Catskill Daily Mail, Hudson Register Star, Ogdensburg Journal, Massena-Potsdam Courier Observer, seven weekly newspapers and three shopping newspapers. He is director of the New York Newspapers Foundation, a member of the Development Authority of the North Country and the Fort Drum Regional Liaison Committee, a trustee of Clarkson University and president of the Bugbee Housing Development Corporation. Mr. Johnson has been a member of the American Society of Newspaper Editors since 1978, and was a Pulitzer Prize juror in 1978, 1979, 2001 and 2002. He holds a Bachelor's degree from Vanderbilt University, and Master's degrees in Journalism and Business Administration from the Columbia University Graduate School of Journalism and Business. Mr. Johnson was awarded an Honorary Doctor of Science degree from Clarkson University. Mr. Johnson's term expires on March 31, 2010.

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

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

BRIAN RUDER, Scarsdale.

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

ANTHONY B. MARTINO, CPA, Buffalo.

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

SANDRA M. SHAPARD, Delmar.

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

GERARD ROMSKI, Esq., Mount Kisco.

Mr. Romski was appointed as a Member of the Authority by the Temporary President of the State Senate on June 8, 2009. He is Counsel and Project Executive for "Arverne By The Sea," where he is responsible for advancing and overseeing all facets of "Arverne by the Sea," one of New York City's largest mixed-use developments located in Queens, NY. Mr. Romski is also of counsel to the New York City law firm of Bauman, Katz and Grill LLP. He formerly was a partner in the law firm of Ross & Cohen, LLP (now merged with Duane Morris, LLP) for twelve years, handling all aspects of real estate and construction law for various clients. He previously served as Assistant Division Chief for the New York City Law Department's Real Estate Litigation Division where he managed all aspects of litigation arising from real property owned by The City of New York. Mr. Romski is a member of the Urban Land Institute, Council of Development Finance Agencies, the New York State Bar Association, American Bar Association and New York City Bar Association. He previously served as a member of the New York City Congestion Mitigation Commission and the Board of Directors for the Bronx Red Cross. Mr. Romski holds a Bachelor of Arts degree from the New York Institute of Technology and a Juris Doctor degree from Brooklyn Law School.

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

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

DAVID STEINER, Ph.D., *Commissioner of Education of the State of New York,* Albany; *ex-officio.*

David M. Steiner was appointed by the Board of Regents as President of the University of the State of New York and Commissioner of Education on October 1, 2009. Prior to his appointment, Dr. Steiner served as the Klara and Larry Silverstein Dean of the School of Education at Hunter College CUNY. Prior to his time with Hunter College, Dr. Steiner served as Director of Arts Education at the National Endowment for the Arts and Chairman of the Department of Education Policy at Boston University. As Commissioner of Education, Dr. Steiner serves as chief executive officer of the Board of Regents, which has jurisdiction over the State's entire educational system, which includes public and non-public elementary, middle and secondary education; public and independent colleges and universities; museums, libraries and historical societies and archives; the vocational rehabilitation system; and responsibility for licensing, practice and oversight of numerous professions. He holds a Doctor of Philosophy in political science from Harvard University and a Bachelor of Arts and Master of Arts degree in philosophy, politics and economics from Balliol College at Oxford University.

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

Richard F. Daines, M.D., became Commissioner of Health on March 21, 2007. Prior to his appointment he served as President and CEO at St. Luke's-Roosevelt Hospital Center since 2002. Before joining St. Luke's-

Roosevelt Hospital Center as Medical Director in 2000, Dr. Daines served as Senior Vice President for Professional Affairs of St. Barnabas Hospital in the Bronx, New York since 1994 and as Medical Director from 1987 to 1999. Dr. Daines received a Bachelor of History degree from Utah State University in 1974 and served as a missionary for the Church of Jesus Christ of Latter-day Saints in Bolivia, 1970-1972. He received his medical degree from Cornell University Medical College in 1978. He served a residency in internal medicine at New York Hospital and is Board Certified in Internal Medicine and Critical Care Medicine.

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

Mr. Megna was appointed Budget Director on June 15, 2009. He is responsible for the overall development and management of the State's fiscal policy, including overseeing the preparation of budget recommendations for all State agencies and programs, economic and revenue forecasting, tax policy, fiscal planning, capital financing and management of the State's debt portfolio, as well as pensions and employee benefits. Mr. Megna previously served as Commissioner of the New York State Department of Taxation and Finance, responsible for overseeing the collection and accounting of more than $90 billion in State and local taxes, the administration of State and local taxes, including New York City and the City of Yonkers income taxes and the processing of tax returns, registrations and associated documents. Prior to this he served as head of the Economic and Revenue Unit of the New York State Division of the Budget where he was responsible for State Budget revenue projections and the development and monitoring of the State Financial Plan. Mr. Megna was Assistant Commissioner for Tax Policy for the Commonwealth of Virginia. He also served as Director of Tax Studies for the New York State Department of Taxation and Finance and as Deputy Director of Fiscal Studies for the Ways and Means Committee of the New York State Assembly. Mr. Megna was also an economist for AT&T. He holds Masters degrees in Public Policy from Fordham University and Economics from the London School of Economics.

The principal staff of the Authority is as follows:

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

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

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

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

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

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

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

Claims and Litigation

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

Other Matters

New York State Public Authorities Control Board

The New York State Public Authorities Control Board (the "PACB") has authority to approve the financing and construction of any new or reactivated projects proposed by the Authority and certain other public authorities of the State. The PACB approves the proposed new projects only upon its determination that there are commitments of funds sufficient to finance the acquisition and construction of the projects. The Authority has obtained the approval of the PACB for the issuance of the Series 2009A Bonds.

Legislation

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

Environmental Quality Review

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

Independent Auditors

The accounting firm of KPMG LLP audited the financial statements of the Authority for the fiscal year ended March 31, 2009. Copies of the most recent audited financial statements are available upon request at the offices of the Authority.

PART 8 - LEGALITY OF THE SERIES 2009A BONDS FOR INVESTMENT AND DEPOSIT

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

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

PART 9 - NEGOTIABLE INSTRUMENTS

The Series 2009A Bonds are negotiable instruments as provided in the Act, subject to the provisions for registration and transfer contained in the Resolution and in the Series 2009A Bonds.

PART 10 - TAX MATTERS

Federal Income Taxes

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met subsequent to the issuance and delivery of the Series 2009A Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Series 2009A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Series 2009A Bonds. Pursuant to the Resolutions, the Loan Agreement and the Tax Certificate, the Authority and the University have covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Series 2009A Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, the Authority and the University have made certain representations and certifications in the Resolutions, the Loan Agreement and the Tax Certificate. Bond Counsel will also rely on the opinion of counsel to the University as to all matters concerning the status of the University as an organization described in Section 501(c)(3) of the Code and exempt from Federal income tax under Section 501(a) of the Code. Bond Counsel will not independently verify the accuracy of those representations and certifications or that opinion.

In the opinion of Nixon Peabody LLP, Bond Counsel, under existing law and assuming compliance with the aforementioned covenants, and the accuracy of certain representations and certifications made by the Authority and the University described above, interest on the Series 2009A 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. Moreover, interest on the Series 2009A Bonds is excluded from the adjusted current earnings of corporations for purposes of this computation.

State Taxes

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

Original Issue Premium

The Series 2009A Bonds maturing July 1, 2015, July 1, 2016, July 1, 2018 through July 1, 2023, inclusive, July 1, 2024 and bearing interest at 5.00%, July 1, 2025 through July 1, 2028, inclusive, July 1, 2029 and bearing interest at 5.25%, July 1, 2034 and July 1, 2039 and bearing interest at 5.00% (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 Series 2009A income for purposes of determining various other tax consequences of owning such Premium 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.

Original Issue Discount

Bond Counsel is further of the opinion that the difference between the principal amount of the Series 2009A Bonds maturing on July 1, 2017, July 1, 2024 and bearing interest at 4.00%, July 1, 2025 and bearing interest at 4.00%, July 1, 2029 and bearing interest at 4.30% and July 1, 2039 and bearing interest at 4.75% (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 Discount 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 purchase 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 or 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.

Ancillary Tax Matters

Ownership of the Series 2009A 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. Ownership of the Series 2009A Bonds may also result in other federal tax consequences to taxpayers who may be deemed to have incurred or continued indebtedness to purchase or to carry the Series 2009A Bonds; for certain bonds issued during 2009 and 2010, the American

Recovery and Reinvestment Act of 2009 modifies the application of those rules as they apply to financial institutions. Prospective investors are advised to consult their own tax advisors regarding these rules.

Commencing with interest paid in 2006, interest paid on tax-exempt obligations such as the Series 2009A Bonds is subject to information reporting to the Internal Revenue Service (the "IRS") in a manner similar to interest paid on taxable obligations. In addition, interest on the Series 2009A 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 under the caption "Tax Matters." Prospective investors, particularly those who may be subject to special rules described above, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Series 2009A Bonds, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

Changes in Law and Post Issuance Events

Legislative or administrative actions and court decisions, at either the federal or state level, could have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Series 2009A Bonds for federal or state income tax purposes, and thus on the value or marketability of the Series 2009A Bonds. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), repeal of the exclusion of the interest on the Series 2009A Bonds from gross income for federal or state income tax purposes, or otherwise. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of holders of the Series 2009A Bonds may occur. Prospective purchasers of the Series 2009A 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 Series 2009A Bonds. Bond Counsel expresses no opinion as to any federal, state or local tax law consequences with respect to the Series 2009A Bonds, or the interest thereon, if any action is taken with respect to the Series 2009A Bonds or the proceeds thereof upon the advice or approval of other counsel.

PART 11 - STATE NOT LIABLE ON THE SERIES 2009A BONDS

The Act provides that notes and bonds of the Authority are not a debt of the State, that the State is not liable on them and that such notes or bonds are not payable out of any funds other than those of the Authority. The Resolution specifically provides that the Series 2009A Bonds are not a debt of the State and that the State is not liable on them.

PART 12 - COVENANT BY THE STATE

The Act states that the State pledges and agrees with the holders of the Authority's notes and bonds that the State will not limit or alter the rights vested in the Authority to provide projects, to establish and collect rentals therefrom and to fulfill agreements with the holders of the Authority's notes and bonds or in any way impair the rights and remedies of the holders of such notes or bonds until such notes or bonds and interest thereon and all costs and expenses in connection with any action or proceeding by or on behalf of the holders of such notes or bonds are fully met and discharged. Notwithstanding the State's pledges and agreements contained in the Act, the State may in the exercise of its sovereign power enact or amend its laws which, if determined to be both reasonable and necessary to serve an important public purpose, could have the effect of impairing these pledges and agreements with the Authority and with the holders of the Authority's notes or bonds.

PART 13 - LEGAL MATTERS

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

Certain legal matters will be passed upon for the University by its Deputy General Counsel, Terrance J. Nolan. Certain legal matters will be passed upon for the Underwriters by their co-counsel, Orrick, Herrington & Sutcliffe LLP, New York, New York and Bryant Burgher Jaffe & Roberts LLP, New York, New York.

There is not now pending any litigation restraining or enjoining the issuance or delivery of the Series 2009A Bonds or questioning or affecting the validity of the Series 2009A Bonds or the proceedings and authority under which they are to be issued.

PART 14 - UNDERWRITING

Morgan Stanley & Co. Incorporated, as representative of the underwriters (the "Underwriters"), has agreed, subject to certain conditions, to purchase the Series 2009A Bonds from the Authority at an aggregate purchase price of $417,834,461.10 (which includes a net premium of $17,577,678.20 and an Underwriters' discount of $2,123,217.10) and to make a public offering of the Series 2009A Bonds at prices that are not in excess of the public offering prices stated on the inside cover page of this Official Statement. The Underwriters will be obligated to purchase all the Series 2009A Bonds if any are purchased. The purchase of the Series 2009A Bonds is not conditioned on the purchase of the Series 2009B Bonds and vice versa.

The Series 2009A Bonds may be offered and sold to certain dealers (including the Underwriters) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriters.

Morgan Stanley has advised the Authority that Morgan Stanley and Citigroup Inc., the respective parent companies of Morgan Stanley & Co. Incorporated and Citigroup Global Markets Inc., each an underwriter of the Series 2009A Bonds, have entered into a retail brokerage joint venture. As part of the joint venture each of Morgan Stanley & Co. Incorporated and Citigroup Global Markets Inc. will distribute municipal securities to retail investors through the financial advisor network of a new broker-dealer, Morgan Stanley Smith Barney LLC. This distribution arrangement became effective on June 1, 2009. As part of this arrangement, each of Morgan Stanley & Co. Incorporated and Citigroup Global Markets Inc. will compensate Morgan Stanley Smith Barney LLC for its selling efforts in connection with their respective allocations of Series 2009A Bonds.

J.P. Morgan Securities Inc., one of the underwriters of the Series 2009A Bonds, has entered into an agreement (the "Distribution Agreement") with UBS Financial Services Inc. for the retail distribution of certain municipal securities offerings at the original issue prices. Pursuant to the Distribution Agreement, J.P. Morgan Securities Inc. will share a portion of its underwriting compensation with respect to the Series 2009A Bonds with UBS Financial Services Inc.

PART 15 - CONTINUING DISCLOSURE

In order to assist the Underwriter in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as amended ("Rule 15c2-12"), the University has undertaken in a written agreement (the "Continuing Disclosure Agreement") for the benefit of the Bondholders to provide to Digital Assurance Certification LLC ("DAC"), on behalf of the Authority as the Authority's disclosure dissemination agent, on or before 120 days after the end of each fiscal year, commencing with the fiscal year of the University ending August 31, 2009, for filing by DAC with the Municipal Securities Rulemaking Board ("MSRB") and its Electronic Municipal Market Access system for municipal securities disclosures, on an annual basis, operating data and financial information of the type hereinafter described which is included in "PART 6 - THE UNIVERSITY" of this Official Statement (the "Annual Information"), together with the University's annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America and audited by an independent firm of certified public accountants in accordance with auditing standards generally accepted in the United States of America; provided, however, that if audited financial statements are not then available, unaudited financial statements shall be delivered to DAC for delivery to the MSRB.

If, and only if, and to the extent that it receives the Annual Information and annual financial statements described above from the University, DAC has undertaken in the Continuing Disclosure Agreement, on behalf of and as agent for the University and the Authority, to file such information and financial statements, as promptly as practicable, but no later than three business days after receipt of the information by DAC from the University, with the MSRB.

The University also will undertake in the Continuing Disclosure Agreement to provide to the Authority, the Trustee and DAC, in a timely manner, the notices required to be provided by Rule 15c2-12 and described below (the "Notices"). In addition, the Authority and the Trustee have undertaken, for the benefit of the Bondholders, to provide such Notices to DAC, should the Authority have actual knowledge of the occurrence of a Notice Event (as hereinafter defined). Upon receipt of Notices from the University, the Trustee or the Authority, DAC will file the Notices with the MSRB in a timely manner. With respect to the Series 2009A Bonds, DAC has only the duties specifically set forth in the Continuing Disclosure Agreement. DAC's obligation to deliver the information at the times and with the contents described in the Continuing Disclosure Agreement is limited to the extent the University has provided such information to DAC as required by the Continuing Disclosure Agreement. DAC has no duty with respect to the content of any disclosure or Notices made pursuant to the terms of the Continuing Disclosure Agreement and DAC has no duty or obligation to review or verify any information contained in the Annual Information, Audited Financial Statements, Notices or any other information, disclosures or notices provided to it by the University, the Trustee or the Authority and shall not be deemed to be acting in any fiduciary capacity for the Authority, the University, the Holders of the Series 2009A Bonds or any other party. DAC has no responsibility for the failure of the Authority to provide to DAC a Notice required by the Continuing Disclosure Agreement or duty to determine the materiality thereof. DAC shall have no duty to determine or liability for failing to determine whether the University, the Trustee or the Authority has complied with the Continuing Disclosure Agreement and DAC may conclusively rely upon certifications of the University, the Trustee and the Authority with respect to their respective obligations under the Continuing Disclosure Agreement. In the event the obligations of DAC as the Authority's disclosure dissemination agent terminate, the Authority will either appoint a successor disclosure dissemination agent or, alternatively, assume all responsibilities of the disclosure dissemination agent for the benefit of the Bondholders.

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

The Notices include notices of any of the following events (the "Notice Events") with respect to the Series 2009A Bonds, if material: (1) principal and interest payment delinquencies; (2) non-payment related defaults; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions or events affecting the tax-exempt status of the Series 2009A Bonds; (7)

modifications to the rights of holders of the Series 2009A Bonds; (8) bond calls; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Series 2009A Bonds; and (11) rating changes. In addition, DAC will undertake, for the benefit of the Holders of the Series 2009A Bonds, to provide to the MSRB, in a timely manner, notice of any failure by the University to provide the Annual Information and annual financial statements by the date required in the University's undertaking described above.

The sole and exclusive remedy for breach or default under the Continuing Disclosure Agreement described above is an action to compel specific performance of the undertaking of DAC, the University, the Trustee and/or the Authority, and no person, including any Holder of the Series 2009A Bonds, may recover monetary damages thereunder under any circumstances. The Authority or the University may be compelled to comply with their respective obligations under the Continuing Disclosure Agreement (i) in the case of enforcement of their obligations to provide information required thereunder, by any Holder of Outstanding Series 2009A Bonds or by the Trustee on behalf of the Holders of Outstanding Series 2009A Bonds, or (ii) in the case of challenges to the adequacy of the information provided, by the Trustee on behalf of the Holders of the Series 2009A Bonds; provided, however, that the Trustee is not required to take any enforcement action except at the direction of the Holders of not less than 25% in aggregate principal amount of Series 2009A Bonds at the time Outstanding. A breach or default under the Continuing Disclosure Agreement shall not constitute an Event of Default under the Resolution, the Series 2009A Resolution or the Loan Agreement. In addition, if all or any part of Rule 15c2-12 ceases to be in effect for any reason, then the information required to be provided under the Continuing Disclosure Agreement, insofar as the provision of Rule 15c2-12 no longer in effect required the providing of such information, shall no longer be required to be provided.

The foregoing undertaking is intended to set forth a general description of the type of financial information and operating data that will be provided; the description is not intended to state more than general categories of financial information and operating data; and where an undertaking calls for information that no longer can be generated or is no longer relevant because the operations to which it related have been materially changed or discontinued, a statement to that effect will be provided. The Continuing Disclosure Agreement, however, may be amended or modified without consent of the Holders of the Series 2009A Bonds under certain circumstances set forth therein. Copies of the Continuing Disclosure Agreement when executed by the parties thereto upon the delivery of the Series 2009A Bonds will be on file at the principal office of the Authority.

PART 16 - RATINGS

Moody's Investors Service, Inc. ("Moody's") has assigned a rating of "Aa3" to the Series 2009A Bonds and Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc. ("Standard & Poor's") has assigned a rating of "AA-" to the Series 2009A Bonds. Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agencies at the following addresses: Moody's, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007; and Standard & Poor's, 55 Water Street, New York, New York 10041. There is no assurance that such ratings will prevail for any given period of time or that they will not be revised downward or withdrawn entirely by any or both of such rating agencies if, in the judgment of any or both of them, circumstances so warrant. Any such downward revision or withdrawal of such rating or ratings may have an adverse effect on the market price of the Series 2009A Bonds.

PART 17 - MISCELLANEOUS

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

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

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

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

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

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

"Appendix B - Financial Statements of New York University and Report of Independent Auditors" contains the audited financial statements of the University as of and for the years ended August 31, 2008 and 2007 and the report of the University's independent auditors, PricewaterhouseCoopers LLP, on such financial statements.

The University has reviewed the parts of this Official Statement describing the University, the Estimated Sources and Uses of Funds, the 2009 Project and Appendix B. The University, as a condition to issuance of the Series 2009A Bonds, is required to certify that as of the date of this Official Statement, such parts do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which the statements are made, not misleading.

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

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

DORMITORY AUTHORITY OF
THE STATE OF NEW YORK

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

Appendix A

CERTAIN DEFINITIONS

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CERTAIN DEFINITIONS

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

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

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

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

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

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

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

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

Authorized Newspaper means The Bond Buyer or any other newspaper of general circulation printed in the English language and customarily published at least once a day for at least five (5) days (other than legal holidays) in each calendar week in the Borough of Manhattan, City and State of New York, designated by the Authority.

Authorized Officer means (i) in the case of the Authority, the Chair, the Vice–Chair, the Treasurer, an Assistant Treasurer, the Secretary, an Assistant Secretary, the Executive Director, the Deputy Executive Director, the Chief Financial Officer, the Managing Director of Public Finance, the Managing Director of Construction, the Managing Director of Policy and Program Development, the Deputy Chief Financial Officer, the Assistant Director, Financial Management, the General Counsel and the Deputy General Counsel, and when used with reference to any act or document also means any other person authorized by a resolution or the by–laws of the Authority to perform such act or execute such document; (ii) in the case of the University, when used with reference to any act or document, means the person or persons authorized by a resolution or the by–laws of the University to perform such act or execute such document; and (iii) in the case of the Trustee, the President, a Vice President, an Assistant Vice President, a Corporate Trust Officer, an Authorized Signatory, an Assistant Corporate Trust Officer, a Trust Officer or an Assistant Trust Officer of the Trustee, and when used with reference to any act or document also means any other person authorized to perform any act or sign any document by or pursuant to a resolution of the Board of Directors of the Trustee or the by–laws of the Trustee.

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

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

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

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

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

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

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

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

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

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

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

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

Cost or **Costs of the Project** means when used in relation to a Project the costs and expenses or the refinancing of costs and expenses determined by the Authority to be necessarily or appropriately incurred in connection with the Project, including, but not limited to, (i) costs and expenses of the acquisition of the title to or other interest in real property, including easements, rights–of–way and licenses, (ii) costs and expenses incurred for labor and materials and payments to contractors, builders and materialmen, for the acquisition, construction, reconstruction, rehabilitation, repair and improvement of the Project, (iii) the cost of surety bonds and insurance of all kinds, including premiums and other charges in connection with obtaining title insurance, that may be required or necessary prior to completion of the Project, which is not paid by a contractor or otherwise provided for, (iv) the costs and expenses for design, environmental inspections and assessments, test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, and for supervising construction of the Project, (v) costs and expenses required for the acquisition and installation of equipment or machinery, (vi) all other costs which the University shall be required to pay or cause to be paid for the acquisition, construction, reconstruction, rehabilitation, repair, improvement and equipping of the Project, (vii) any sums required to reimburse the University or the Authority for advances made by them for any of the above items or for other costs incurred and for work done by them in connection with the Project (including interest on money borrowed from parties other than the University), (viii) interest on the Bonds, bonds, notes or other obligations of the Authority issued to finance Costs of the Project that accrued prior to, during and for a reasonable period after completion of the acquisition, construction, reconstruction, rehabilitation, repair, improvement or equipping of the Project, and (ix) fees, expenses and liabilities of the Authority incurred in connection with the Project or pursuant to the Resolution or to the Loan Agreement, a Credit Facility, a Liquidity Facility or a Remarketing Agreement in connection with Option Bonds or Variable Interest Rate Bonds.

Credit Facility means an irrevocable letter of credit, surety bond, loan agreement, or other agreement, facility or insurance or guaranty arrangement pursuant to which the Authority is entitled to obtain money to pay the principal and Sinking Fund Installments of and interest on particular Bonds whether or not the Authority is in default under the Resolution, which is issued or provided by:

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

(ii) an insurance company or association chartered or organized under the laws of any state of the United States of America

(iii) the Government National Mortgage Association or any successor thereto;

(iv) the Federal National Mortgage Association or any successor thereto; or

(v) any other federal agency or instrumentality approved by the Authority.

Any such Credit Facility may also constitute a Liquidity Facility if it also meets the requirements of the definition of a Liquidity Facility contained below in this Appendix A.

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

Defeasance Security means:

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

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

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

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

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

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

Exempt Obligation means:

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

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

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

Federal Agency Obligation means:

(i) an obligation issued, or fully insured or guaranteed as to payment by any agency or instrumentality of the United States of America, which, at the time an investment therein is made or such obligation is deposited in any fund or account under the Resolution, is rated, without regard to qualification of such rating by symbols such as "+" or "–" and numerical notation, no lower than in the second highest rating category for such obligation by at least two Rating Services;

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

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

Governing Body means the University's board of directors, board of trustees, or other board or group of individuals by, or under the authority of which, corporate powers of the University are exercised.

Government Obligation means:

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

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

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

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

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

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

Insurance Consultant means a person or firm which is qualified to survey risks and to recommend insurance coverage for university facilities and services and organizations engaged in like operations and which is selected by the University, which may include qualified in house risk management officers employed by the University, unless, with respect to any self–insurance program, the Authority has reasonably determined that the University's balance sheet may be materially adversely affected by such program and has requested in writing that the University engage a person or firm who is not an employee or officer of the University as such Consultant.

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

Appendix A

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

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

Liquidity Facility means an irrevocable letter of credit, a surety bond, a loan agreement, a Standby Purchase Agreement, a line of credit or other agreement or arrangement pursuant to which money may be obtained upon the terms and conditions contained therein for the purchase of Bonds tendered for purchase accordance with the terms of the Series Resolution authorizing such Bonds or the Bond Series Certificate relating to such Bonds, which is issued or provided by:

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

(ii) an insurance company or association chartered or organized under the laws of any state of the United States of America;

(iii) the Government National Mortgage Association or any successor thereto;

(iv) the Federal National Mortgage Association or any successor thereto; or

(v) any other federal agency or instrumentality approved by the Authority.

Loan Agreement means the Loan Agreement, dated as of May 28, 2008, by and between the Authority and the University in connection with the issuance of Bonds, as the same from time to time shall have been amended, supplemented or otherwise modified as permitted by the Resolution and by the Loan Agreement.

Management Consultant means a nationally recognized accounting or management consulting firm or other similar firm, experienced in reviewing and assessing university operations, acceptable to the Authority.

Maximum Annual Debt Service means on any date, when used with respect to the Bonds, the greatest amount required in the then current or any future Bond Year to pay the sum of the principal and Sinking Fund Installments of and interest on Outstanding Bonds payable during such year, and, in the case of Variable Interest Rate Bonds, interest payable during a calendar year will be calculated at a rate equal to the rate then borne by such Variable Interest Rate Bonds on such date plus one percent (1%).

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

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

Moody's means Moody's Investor Service, Inc. or its successors or assigns.

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

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

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

(i) any Bond canceled by the Trustee at or before such date;

(ii) any Bond deemed to have been paid in accordance with the Resolution;

(iii) any Bond in lieu of or in substitution for which another Bond shall have been authenticated and delivered pursuant to the Resolution; and

(iv) any Option Bond tendered or deemed tendered in accordance with the provisions of the Series Resolution authorizing such Bond or the Bond Series Certificate relating to such Bond on the applicable adjustment or conversion date, if interest thereon shall have been paid through such applicable date and the purchase price thereof shall have been paid or amounts are available for such payment as provided in the Resolution and in the Series Resolution authorizing such Bond or the Bond Series Certificate relating to such Bond.

Paying Agent means, with respect to the Bonds of any Series, the Trustee and any other bank or trust company and its successor or successors, appointed pursuant to the provisions of the Resolution or of a Series Resolution, a Bond Series Certificate or any other resolution of the Authority adopted prior to authentication and delivery of the Series of Bonds for which such Paying Agent or Paying Agents shall be so appointed.

Permitted Collateral means:

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

(ii) Federal Agency Obligations described in clause (i) of the definition of Federal Agency Obligation;

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

(iv) financial guaranty agreements, surety or other similar bonds or other instruments of an insurance company that has an equity capital of at least $125,000,000 and is rated by Bests Insurance Guide or a Rating Service in the highest rating category.

Permitted Investments means any of the following:

(i) Government Obligations;

(ii) Federal Agency Obligations;

(iii) Exempt Obligations;

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

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

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

(vii) to the extent any of the following constitute permitted investments under the "Investment Policy and Guidelines" of the Authority in effect at the time an investment is made:

(1) commercial paper that (a) matures within two hundred seventy (270) days after its date of issuance, (b) at the time an investment therein is made or the same is deposited in any fund or account under the Resolution, is rated in the highest short term rating category by at least two Rating Services and (c) is issued by a domestic corporation whose unsecured senior debt is rated by at least two Rating Service no lower than in the second highest rating category;

(2) an uncollateralized, unsecured certificate of deposit, time deposit or bankers' acceptance that (A) has a maturity of not more than three hundred sixty–five (365) days and (B) is issued by, or are of or with, a bank the short term obligations of which are, at the time an investment in such certificate of deposit, time deposit or bankers' acceptance is made or the same is deposited in any fund or account under the Resolution, rated "A–1" by Standard & Poor's Rating Services and "P–1" by Moody's Investors Service, Inc.; and

(3) shares or an interest in any other mutual fund, partnership or other fund whose objective is to maintain a constant share value of one dollar ($1.00) and that, at the time an investment therein is made or the same is deposited in any fund or account under the Resolution, are rated at least "AAm" or "AAm–G" by Standard & Poor's Rating Services and "Aa1" by Moody's Investors Service, Inc.

Project means a "dormitory" as defined in the Act, which may include more than one part, financed in whole or in part from the proceeds of the sale of Bonds, as more particularly described in the Resolution, in or pursuant to a Series Resolution or in or pursuant to a Bond Series Certificate.

Provider means the issuer or provider of a Credit Facility or a Liquidity Facility.

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

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

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

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

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

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

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

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

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

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

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

Related Agreements means each Remarketing Agreement, Interest Rate Exchange Agreement and agreement entered into in connection with a Credit Facility or Liquidity Facility, to which the University is a party.

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

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

Resolution means this New York University Revenue Bond Resolution, adopted by the Authority May 28, 2008, as from time to time amended or supplemented by Supplemental Resolutions or Series Resolutions in accordance with the terms and provisions of the Resolution.

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

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

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

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

Sinking Fund Installment means, as of any date of calculation:

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

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

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

State means the State of New York.

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

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

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

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

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

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

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

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

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

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

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

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

Appendix B

**FINANCIAL STATEMENTS OF
NEW YORK UNIVERSITY
AND REPORT OF INDEPENDENT AUDITORS**

Appendix B

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New York University

Consolidated Financial Statements
August 31, 2008

New York University
Index
August 31, 2008

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers LLP
PricewaterhouseCoopers Center
300 Madison Avenue
New York NY 10017
Telephone (646) 471 3000
Facsimile (813) 286 6000

Report of Independent Auditors

To the Board of Trustees of
New York University

In our opinion, the accompanying consolidated balance sheet and the related consolidated statement of activities and cash flows present fairly, in all material respects, the consolidated financial position of New York University ("NYU") at August 31, 2008 and the results of their changes in net assets and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of NYU's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information included on pages 32 through 37 in Appendix A - supplemental schedules is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual entities. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
December 18, 2008

New York University
Consolidated Balance Sheet
August 31, 2008

(in thousands of dollars)

	University	NYU Langone Medical Center	Consolidated NYU
Assets			
Cash and cash equivalents	$ 619,781	$ 259,037	$ 878,818
Short-term investments (Note 4)	31,556	184,303	215,859
Accounts and loans receivable, net (Note 5)	197,692	69,581	267,273
Patient accounts receivable	2,328	177,179	179,507
Contributions receivable, net (Note 6)	257,021	264,159	521,180
Other assets (Note 8)	109,837	128,943	238,780
Deposits with trustees (Note 7)	493,801	139,047	632,848
Collateral for securities loaned (Notes 4 and 20)	78,513	-	78,513
Long-term investments (Notes 4 and 20)	1,863,397	806,703	2,670,100
Assets held by insurance captive (CCC550) (Note 11)	-	115,449	115,449
Land, buildings, and equipment, net (Notes 2 and 9)	2,013,133	850,956	2,864,089
Total assets	$ 5,667,059	$ 2,995,357	$ 8,662,416
Liabilities and Net Assets			
Liabilities			
Accounts payable and accrued expenses	$ 218,150	$ 460,506	$ 678,656
Deferred revenue	566,838	42,973	609,811
Outstanding losses and loss adjustment expenses (Note 11)	-	141,807	141,807
Security loan agreements payable (Notes 4 and 20)	78,513	-	78,513
Bonds and notes payable (Note 10)	1,496,210	743,579	2,239,789
Federal grants refundable	64,189	10,332	74,521
Accrued benefit obligation (Note 12)	21,173	52,527	73,700
Accrued postretirement obligation (Note 13)	222,719	93,232	315,951
Asset retirement obligation (Note 2)	95,246	13,728	108,974
Total liabilities	2,763,038	1,558,684	4,321,722
Net assets			
Unrestricted	1,650,305	905,743	2,556,048
Temporarily restricted (Note 18)	233,160	297,553	530,713
Permanently restricted (Note 18)	1,020,556	233,377	1,253,933
Total net assets	2,904,021	1,436,673	4,340,694
Total liabilities and net assets	$ 5,667,059	$ 2,995,357	$ 8,662,416

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

New York University
Consolidated Statement of Activities
Year Ended August 31, 2008

(in thousands of dollars)

	University	NYU Langone Medical Center	Consolidated NYU
Changes in unrestricted net assets			
Operating Revenues			
Tuition and fees (net of financial aid awards of $251,998 University; $3,489 NYU Langone Medical Center)	$ 1,188,907	$ 30,187	$ 1,219,094
Grants and contracts (Note 15)	121,267	199,519	320,786
Patient care (Note 3)	39,303	1,402,525	1,441,828
Insurance premiums earned	-	28,524	28,524
Hospital affiliations (Note 16)	-	246,019	246,019
New York State appropriation	4,830	-	4,830
Contributions	72,072	67,066	139,138
Endowment distribution and return on short-term investments (Note 4)	94,577	28,618	123,195
Auxiliary enterprises	319,610	33,312	352,922
Program fees and other	77,584	82,460	160,044
Net assets released from restrictions	92,080	71,409	163,489
Total operating revenues	2,010,230	2,189,639	4,199,869
Operating expenses (Note 17)			
Instruction and other academic programs	1,085,009	146,947	1,231,956
Research and other sponsored programs	116,502	196,149	312,651
Patient care	39,639	1,167,958	1,207,597
Hospital affiliations (Note 16)	-	241,219	241,219
Libraries	56,282	9,824	66,106
Student services	106,131	4,427	110,558
Institutional services	192,242	338,180	530,422
Auxiliary enterprises	323,347	72,881	396,228
Total operating expenses	1,919,152	2,177,585	4,096,737
Excess of operating revenues over operating expenses	91,078	12,054	103,132
Nonoperating activities			
Investment return less than endowment distribution, net (Note 4)	(109,355)	(43,427)	(152,782)
Other	3,749	655	4,404
Net assets released from restrictions for capital purposes	6,326	9,368	15,694
Changes in pension and postretirement obligations (Notes 12 and 13)	(4,832)	9,642	4,810
Decrease in unrestricted net assets	(13,034)	(11,708)	(24,742)
Changes in temporarily restricted net assets			
Contributions	90,964	149,310	240,274
Investment return, net (Note 4)	(2,101)	1,198	(903)
Other	(15,878)	-	(15,878)
Net assets released from restrictions	(90,870)	(80,777)	(171,647)
(Decrease)/increase in temporarily restricted net assets	(17,885)	69,731	51,846
Changes in permanently restricted net assets			
Contributions	79,318	15,812	95,130
Unrealized loss on deposits with trustees	(8,135)	-	(8,135)
Net assets released from restrictions	(7,536)	-	(7,536)
Other	-	4	4
Increase in permanently restricted net assets	63,647	15,816	79,463
Increase in net assets	$ 32,728	$ 73,839	$ 106,567

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

New York University
Consolidated Statement of Cash Flows
August 31, 2008

(in thousands of dollars)

	University	NYU Langone Medical Center	Consolidated NYU
Cash flows from operating activities			
Change in net assets	$ 32,728	$ 73,839	$ 106,567
Adjustments to reconcile increase in net assets to net cash provided by operating activities			
Depreciation and amortization	118,615	81,643	200,258
Net loss on investments and deposits with trustees	112,237	36,024	148,261
Bad debt expense	1,938	36,580	38,518
Gain on sale of real estate	(7,251)	(655)	(7,906)
Other nonoperating changes	1,964	-	1,964
Pension and postretirement obligation change	4,832	(9,642)	(4,810)
Asset retirement obligation adjustment	44	493	537
Contributions restricted for permanent investment and capital	(82,911)	(27,935)	(110,846)
Contributed assets	(4,222)	(3,247)	(7,469)
Changes in operating assets and liabilities			
(Increase) decrease in accounts and loans receivable, net	(24,043)	3,312	(20,731)
Increase in patient accounts receivable	(1,130)	(45,293)	(46,423)
Increase in nonendowment and noncapital contributions receivable	(2,506)	(102,380)	(104,886)
Decrease (increase) in other assets	5,419	(34,448)	(29,029)
Increase in accounts payable and accrued expenses	19,965	116,856	136,821
Increase in outstanding losses and adjustment expenses	-	37,094	37,094
Increase (decrease) in deferred revenue	30,251	(362)	29,889
Decrease in accrued pension obligation	(720)	(1,181)	(1,901)
Increase in accrued postretirement obligation	14,071	5,229	19,300
Net cash provided by operating activities	219,281	165,927	385,208
Cash flows from investing activities			
Purchases of investments	(2,001,424)	(602,455)	(2,603,879)
Sales of investments	2,042,457	714,690	2,757,147
Investment in physician practice plan	-	(29,881)	(29,881)
Proceeds from sale of real estate	8,251	726	8,977
Drawdowns of unexpended bond proceeds	410,509	33,059	443,568
Additions to land, buildings, and equipment, net of disposals	(478,896)	(124,388)	(603,284)
Net cash used in investing activities	(19,103)	(8,249)	(27,352)
Cash flows from financing activities			
Contributions restricted for permanent investment and capital	77,956	27,935	105,891
Increase in endowment and capital contributions receivable	(23,061)	(487)	(23,548)
Proceeds from short term borrowings	100,525	-	100,525
Principal payments on short term borrowings	(98,525)	-	(98,525)
Principal payments on bonds and notes payable	(122,662)	(66,620)	(189,282)
Increase in Federal grants refundable	371	510	881
(Increase) decrease in deposits with bond trustees	(9,332)	4,274	(5,058)
Net cash used in financing activities	(74,728)	(34,388)	(109,116)
Net increase in cash	125,450	123,290	248,740
Cash			
Beginning of year	494,331	135,747	630,078
End of year	$ 619,781	$ 259,037	$ 878,818
Bond proceeds	$ 626,782	$ 94,150	$ 720,932
Interest paid	47,632	37,874	85,506

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

(in thousands of dollars)

1. Description of New York University

Founded in 1831, New York University (NYU) is a private institution of higher education, research, and patient care located primarily in New York City. NYU is recognized both nationally and internationally as a leader in scholarship and is a member of the distinguished Association of American Universities.

Beginning fiscal year 2008, the consolidated reporting entity for NYU consists of the University, which represents the consolidation of Washington Square and Polytechnic, and the NYU Langone Medical Center, which represents the consolidation of the NYU Hospitals Center, the NYU School of Medicine, and CCC550 as described below. Consolidating balance sheets and statements of activities for the University and the NYU Langone Medical Center are presented in Appendix A.

The University

The Washington Square Campus (Washington Square) includes seventeen colleges and divisions in Manhattan, each with its own traditions, programs, and faculty. The schools, in order of founding date, are the College of Arts and Science, School of Law, School of Medicine, College of Dentistry, Graduate School of Arts and Science, Steinhardt School of Culture, Education and Human Development, Leonard N. Stern School of Business, Courant Institute of Mathematical Sciences, School of Continuing and Professional Studies, Institute of Fine Arts, Robert F. Wagner Graduate School of Public Service, Post-Graduate Medical School, Silver School of Social Work, Tisch School of the Arts, Gallatin School of Individualized Study, College of Nursing, and the Institute for the Study of the Ancient World. Washington Square also operates academic program sites and research programs in other parts of the United States and abroad.

Effective July 1, 2008, Polytechnic University became affiliated with NYU under the name Polytechnic Institute of New York University (Polytechnic). On that date, NYU became the sole member of Polytechnic. Polytechnic is a private, co-educational institution founded in 1854, offering programs in engineering, applied sciences, and management. Polytechnic has its main campus in downtown Brooklyn. The University has not assumed any responsibility or liability for the financial obligations of Polytechnic.

The NYU Langone Medical Center

Effective October 23, 2007, all necessary regulatory approvals were granted and NYU was substituted for Mount Sinai-NYU Health, Inc. as the sole member of NYU Hospitals Center (the Hospitals Center). By resolution of the NYU Board of Trustees, NYU appointed members of the Hospitals Center Board and also named the same individuals as members of a newly created New York University School of Medicine Advisory Board. Management expects that this will result in greater integration and closer alignment of the goals and strategies of the Hospitals Center and the NYU School of Medicine which are referred to collectively as the NYU Langone Medical Center. The University has not assumed any responsibility or liability for the financial obligations of the Hospitals Center.

(in thousands of dollars)

The Hospitals Center represents one of the nation's premier centers of excellence in health care and encompasses three hospitals and an off-shore captive insurance corporation, CCC550. The central component of the Hospitals Center is Tisch Hospital, a 705-bed acute care facility and a major center for specialized procedures in cardiovascular services, neurosurgery, cancer treatment, reconstructive surgery and transplantation. The Rusk Institute of Rehabilitation Medicine, a 174-bed unit, has earned worldwide recognition for its leadership in the treatment of the physically challenged. The Hospital for Joint Diseases, (HJD), is a 190-bed acute care facility specializing in orthopedic services. CCC550 is solely owned by the Hospitals Center and provides hospital professional liability and hospital general liability insurance to the Hospitals Center and professional liability insurance to voluntary attending physicians (VAPs) affiliated with the Hospitals Center. CCC550 is subject to taxation in accordance with section 29 of the Exempt Insurance Act in Barbados.

2. Summary of Significant Accounting Policies

The financial statements of NYU are presented at August 31, 2008 and for the year ended August 31, 2008 using the pooling of interests method of accounting to provide the consolidated financial statements of Washington Square, Polytechnic and the NYU Langone Medical Center. Under the pooling of interest method, the net assets of the Hospitals Center and Polytechnic have been incorporated into the NYU consolidated net assets reported as of September 1, 2007. Net asset balances for the consolidated entities as of the beginning of fiscal year 2008 were as follows:

Audited and as reported for NYU	$ 3,877,343
NYU Hospitals Center	203,121
Polytechnic University	153,663
Total Consolidated Net Assets at September 1, 2007	$ 4,234,127

Certain conforming adjustments relating to pooling of interests with the Hospitals Center totaled $36,784.

Polytechnic financial results have been included as of June 30, 2008 and for the twelve month fiscal year ended June 30, 2008. The effect of using this fiscal reporting period was not material to the consolidated financial statements.

Basis of Presentation

The accompanying consolidated financial statements include the accounts of NYU, as well as its separately incorporated affiliates. NYU and generally all of its affiliates are exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code.

NYU prepares its consolidated financial statements in accordance with the provisions of Statement of Financial Accounting Standards No. 117, *Financial Statements of Not-for-*

New York University
Notes to the Consolidated Financial Statements
August 31, 2008

(in thousands of dollars)

Profit Organizations (SFAS No. 117). SFAS No. 117 focuses on the entity as a whole and requires classification of net assets as unrestricted, temporarily restricted, or permanently restricted, as determined by the existence or absence of restrictions placed on the assets' use by donors or by provision of law. A description of the net assets classifications follows:

Permanently Restricted net assets include gifts, pledges, trusts, and gains explicitly required by donors to be retained in perpetuity, while allowing the use of the investment return for general or specific purpose, in accordance with donor provisions.

Temporarily Restricted net assets include gifts, pledges, trusts, and gains that can be expended, but the donor restrictions have not yet been met. Contributions receivable that do not carry a purpose restriction are deemed to be time restricted. Temporary restrictions are removed either through the passage of time or because certain actions are taken by NYU that fulfill the restrictions. Donor-restricted cash gifts and investment return that are either spent or deemed spent within the same fiscal year as received or earned are reported as unrestricted revenues.

Unrestricted net assets are the remaining net assets of NYU that are used to carry out its educational mission and are not subject to donor restrictions.

Operations
Revenues and expenses related to conducting programmatic activities and provision of services by NYU are classified as operating in the consolidated statement of activities. Investment return (realized and unrealized net gains or losses on investments, interest and dividends) in excess of (or less than) NYU's approved endowment distribution as well as unusual or nonrecurring activity are classified as nonoperating in the consolidated statement of activities.

Contributions
Contributions, including unconditional promises to give, are recognized as revenue in the period received at their fair value. Contributions receivable are reported at their discounted present value (2.10%-5.21% in 2008) and an allowance for amounts estimated to be uncollectible is provided. Conditional promises to give are not recognized as revenue until they become unconditional, that is when the conditions on which they depend are substantially met.

Collections
The University does not assign values to collection items. Collection items are generally held for educational purposes and are not disposed of for financial gain or otherwise encumbered in any manner.

Uncompensated Care
As a matter of policy, the Medical Center provides significant amounts of partially or totally uncompensated patient care. For accounting purposes, such uncompensated care is treated either as charity care or bad debt expense.

Charity Care: The Hospitals Center's charity care policy, in accordance with the New York State Department of Health's guidelines, ensures the provision of quality health care to

(in thousands of dollars)

the community served while carefully considering the ability of the patient to pay. The policy has sliding fee schedules for inpatient, ambulatory and emergency services provided to the uninsured and under-insured patients that qualify. Patients are eligible for the charity care fee schedule if they meet certain income and liquid asset tests. For accounting and disclosure purposes, charity care is considered to be the difference between the Hospitals Center's customary charges and the sliding charity care fee schedule rates. Since payment of this difference is not sought, charity care allowances are not reported as revenue. Total charity care for all patient services was $8,672 in 2008.

Bad Debt Expense: Patients who do not qualify for sliding scale fees and all uninsured inpatients who do not qualify for Medicaid assistance are billed at the Hospitals Center's full rates and the balances are written off when deemed uncollectible. Similarly, at the School of Medicine, those balances which are deemed uncollectible based on an inability or unwillingness to pay are written off. Uncollected balances for these patients are categorized as bad debts and totaled $36,580 for the year ended August 31, 2008.

Cash and Cash Equivalents
Cash and cash equivalents includes cash and all highly-liquid debt instruments with maturity of three months or less when purchased. This does not include investments with less than three months to maturity held within the long-term investment portfolio.

Fair Value of Financial Instruments
The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and cash equivalents, accounts receivable, accounts payable and accrued expenses - The carrying amount approximates fair value due to the short-term maturity of the instruments.

Investments - Investments (including deposits with trustees) in marketable securities with readily determinable market values and all investments in debt securities are reported at fair value in the consolidated balance sheet, based on quoted market prices.

The fair value of private equity and absolute return investments is based on values reported by the respective external investment managers and consists primarily of readily marketable securities. NYU believes that the carrying amount of these investments is a reasonable estimate of fair value as of August 31, 2008. Certain securities underlying the private equity and absolute return investments are not readily marketable. Although the estimated value is subject to uncertainty and may differ from the value that would have been used had a ready market for the securities existed, management believes that any such difference would not have a material effect on NYU's consolidated financial position. In addition, a limited number of the investment vehicles included in these investments have liquidity restrictions which may defer redemption of the investment for a short period of time.

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Investments in certain private equity funds are recorded at fair value as of the date of the last portfolio appraisal provided by external investment managers. These funds are then adjusted for capital contributions and redemptions made between the valuation date and year-end. Absolute return investments are limited partnerships and/or hedge funds that utilize a broad array of investment strategies including but not limited to market-neutral, events-driven, global-macro, distressed debt, or a combination thereof. These funds are recorded at fair value as provided by external investment managers.

Bonds and notes payable - The fair value of NYU's bonds and notes payable is estimated based on the quoted market prices for the same or similar issues or based on NYU's current incremental borrowing rates for similar types of borrowing arrangements.

Loans Receivable - A reasonable estimate of the fair value of loans receivable from students under government loan programs could not be made because the notes cannot be sold and can only be assigned to the U.S. Government or its designees. The fair value of loans receivable from students under NYU's loan programs approximates carrying value.

Land, Buildings, and Equipment
Land, buildings, and equipment are carried at their acquisition or construction cost. If donated, these assets are recorded at their fair value on the date of the gift. Buildings and equipment are depreciated over their estimated useful lives (buildings and building improvements 10-55 years, equipment 3-10 years) using the straight-line method.

Asset Retirement Obligation
NYU recognizes asset retirement obligations on future events, such as the abatement of asbestos, lead-based paint and petroleum bulk storage tank removal from buildings. Asset retirement costs (net of accumulated depreciation) have been included in land, buildings and equipment as of August 31, 2008. The asset retirement obligation was $108,974 at August 31, 2008.

Accounting 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, the disclosure of contingencies at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

New Authoritative Pronouncements
Effective September 1, 2007, NYU adopted Financial Accounting Standards Board (FASB) Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" (FIN 48) which requires the recognition and measurement of the tax benefit taken or expected to be taken in an unrelated business activity tax return and disclosures regarding uncertainties in tax positions. No significant adjustments to the financial statements were required for the year ended August 31, 2008 as a result of the implementation of FIN 48.

(in thousands of dollars)

Management is currently assessing the impact of the adoption of the following pronouncements in 2009:

In September 2006, the FASB issued Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" (SFAS 157). SFAS 157 establishes a framework for measuring fair value and expands disclosures about its measurement. It is effective for financial statements issued for fiscal years beginning after November 15, 2007.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities" (SFAS 159). SFAS 159 permits entities to choose to measure any financial instruments and certain other items at fair value. It is effective for fiscal years beginning after November 15, 2007.

3. Patient Care Revenue

Patient care revenue is reported at the estimated net realizable amounts due from patients, third-party payors and others for services rendered and includes estimated retroactive revenue adjustments due to ongoing and future audits, reviews and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are provided and adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews and investigations.

The Hospitals Center has established estimates, based on information presently available, of amounts due to or from Medicare and non-Medicare payers for adjustments to current and prior years' payment rates, based on industry-wide and Hospitals Center-specific data. The net amount due to third party payers at August 31, 2008 is $13,820. Additionally, certain payers' payment rates for various years have been appealed by the Hospitals Center. If the appeals are successful, additional income applicable to those years might be realized.

Medicare cost reports for the Hospitals Center, which serve as the basis for final settlement with the Medicare program, have not been finally settled as far back as 2001; revisions to final settlements also could be made. Other years remain open for settlement with the Federal Medicare program as are settlements with the New York State Medicaid program. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

The Hospitals Center grants credit without collateral to its patients, most of whom are insured under third-party agreements. The significant concentrations of accounts receivable for services to patients include 13% from Medicare, 5% from Medicaid, 62% from managed care companies, and 20% from commercial insurance carriers and others at August 31, 2008.

In 2008, approximately 32% and 7% of the Hospitals Center's net patient care revenue was from the Medicare and Medicaid programs, respectively.

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4. Investments

The following table summarizes the fair value of investments at August 31, 2008:

	2008
Long-term investments	
Fixed income securities	$ 553,019
Equity securities	1,023,308
Absolute return	856,442
Private equity	200,730
Real estate	23,893
Other	12,708
Subtotal long-term investments	2,670,100
Short-term investments (principally fixed income securities)	
Working capital	184,948
Other	30,911
Subtotal short-term investments	215,859
Total	$ 2,885,959

NYU (with the exception of Polytechnic) maintains an investment pool for its long-term investments which include its endowment and similar funds. The pool is managed to achieve the maximum prudent long-term return. NYU's Board of Trustees has authorized a policy designed to allow asset growth while providing a predictable flow of return to support operations. This policy permits the use of total return at approved spending rates (5% in 2008). The rate is applied to the twelve-quarter moving average fair value of the investment pool. This amount, along with interest and dividends earned on short-term investments, is reported as operating revenues in the consolidated statement of activities. Investment return in excess of or less than NYU's approved endowment distribution is reported as nonoperating activity in the consolidated statement of activities.

Polytechnic has endowment and similar funds invested in a separate pool, which authorized a spending rate for 2008 of 5.5% of the three-year rolling average market value of the endowment. This amount is reported as operating revenues in the consolidated statement of activities.

At August 31, 2008, NYU had capital commitments of $216,855.

Investment securities having a fair value of $75,612 at August 31, 2008 were lent to various brokerage firms (see Note 20). The securities are returnable on demand and were collateralized by cash deposits of $78,513 at August 31, 2008. The collateral is invested in short-term securities and income is credited to the long-term investment pool.

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Investment return for the year ended August 31, 2008:

	2008
Dividends and interest	$ 72,877
Realized and unrealized losses, net	(97,745)
Investment expenses	(5,622)
Total investment return, net	$ (30,490)
Endowment distribution approved for spending	$ 123,195
Temporarily restricted investment return, net	(903)
Investment return less than endowment distribution, net	(152,782)
Total investment return, net	$ (30,490)

5. Accounts and Loans Receivable

Accounts and loans receivable consist of the following at August 31, 2008:

	2008
Student and other	$ 52,330
Grants and contracts	50,871
Student loans	105,757
Housing loans and other loans to employees	55,233
Insurance premiums (CCC550)	22,927
	287,118
Allowance for uncollectible amounts	(19,845)
Accounts and loans receivable, net	$ 267,273

The allowance for uncollectible amounts of accounts and loans receivable at August 31, 2008 consists of the following:

	2008
Student and other	$ (10,595)
Grants and contracts	(3,032)
Student loans	(6,076)
Housing loans and other loans to employees	(142)
Total allowance for uncollectible amounts	$ (19,845)

(in thousands of dollars)

6. Contributions Receivable

Contributions receivable consist of the following at August 31, 2008:

	2008
Amounts expected to be collected in:	
Less than one year	$ 104,837
One to five years	456,512
More than five years	90,986
	652,335
Discount to present value	(62,597)
Allowance for uncollectible amounts	(68,558)
Contributions receivable, net	$ 521,180

Contributions receivable activity for the year ended August 31, 2008 was as follows:

	2008
Contributions receivable at beginning of year, net	$ 433,621
Add discount to present value and allowance	125,892
Contributions receivable beginning of year, gross	559,513
New pledges received (undiscounted)	295,497
Adjustments and writeoffs	(14,982)
Pledge payments received	(187,693)
Subtotal	652,335
Deduct discount to present value and allowance	(131,155)
Contributions receivable at end of year, net	$ 521,180

Conditional promises to give, not included in these financial statements, were $624,822 at August 31, 2008.

Expenses related to fundraising activities were $19,848 for the year ended August 31, 2008.

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7. Deposits with Trustees

Deposits with trustees consist of the following at August 31, 2008:

	2008
Unexpended Bond Funds Held by the Dormitory Authority of the State of New York:	
Construction funds	$ 516,534
Debt service funds	13,910
Debt service reserve funds	42,403
Capitalized interest funds	36,661
Other	1,359
Perpetual trust	21,981
	$ 632,848

NYU is the income beneficiary of a perpetual trust. The income from this trust must be used for the support, maintenance, and utilization of Villa La Pietra and the Acton Collection located in Florence, Italy. The trust income is also to be used for the education, benefit, and assistance of faculty and students of the arts and crafts, architecture, literature, music, history of the arts, and all other arts either in the United States or in foreign countries.

8. Other Assets

Other assets at August 31, 2008 consist of the following:

	2008
Prepaid expenses and deferred charges	$ 50,905
Third party payor receivables	43,719
Inventory	29,385
Unamortized bond issuance costs	26,801
Real estate held for sale	24,442
Donated royalty	18,317
Gift trust agreements	18,179
Other	27,032
Other assets	$ 238,780

Real estate held for sale of $24,442 at August 31, 2008 represents the remaining inventory of units in the Riverwalk Landing Condominium. The units are held by the University for sale to faculty and administrators.

(in thousands of dollars)

9. Land, Buildings, and Equipment

Land, buildings, and equipment consist of the following at August 31, 2008:

	2008
Land	$ 171,441
Buildings and building improvements	3,623,192
Equipment	1,029,160
Construction in progress	366,508
	5,190,301
Less accumulated depreciation	(2,326,212)
Land, buildings, and equipment, net	$ 2,864,089

Depreciation expense was $197,255 at August 31, 2008.

NYU capitalized software totaling $6,301 for the year ended August 31, 2008.

10. Bonds and Notes Payable

Bonds and notes payable consist of the following at August 31, 2008:

Issuer	Washington Square	Polytechnic	Total University	School of Medicine	Hospitals Center	Total NYU Langone Medical Center	Consolidated NYU
Dormitory Authority of the State of New York (DASNY)	$ 1,268,653	$ -	$ 1,268,653	$ 123,239	$ 431,909	$ 555,148	$ 1,823,801
New York City Industrial Development Agency (NYCIDA)	62,852	105,313	168,165	-	-	-	168,165
Other Bonds and Notes Payable	43,827	15,565	59,392	141,632	46,799	188,431	247,823
Bonds and Notes Payable	$ 1,375,332	$ 120,878	$ 1,496,210	$ 264,871	$ 478,708	$ 743,579	$ 2,239,789

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In 2008, the Dormitory Authority of the State of New York (DASNY) issued $616,465 of revenue bonds (Series 2008) on behalf of the University with interest rates ranging from 3.0% to 5.33%. There are four components of the Series 2008: 1) $280,250 Series 2008A bonds maturing serially from July 2013 through July 2023, as well as July 2029, July 2038, and July 2048; 2) $226,705 Series 2008B bonds maturing serially from July 2010 through July 2023, as well as July 2029, July 2038, and July 2048; 3) $98,805 Series 2008C bonds maturing serially from July 2010 through July 2023, as well as July 2029 and July 2038; and 4) $10,705 Series 2008D federally taxable bonds maturing serially July 2010 through July 2013.

In 2008, the outstanding balance of $98,525 from the Series 2004B bonds was refunded with a drawdown from one of the University's lines of credit (see Note 14). The proceeds from the Series 2008C bonds were used to repay the balance drawn from the line of credit. The proceeds from the Series 2008A and 2008D bonds were used to acquire a student residence facility. The remainder of the bond proceeds will be used to purchase an office building for administrative use and to reimburse the University for costs incurred in connection with the reconstruction, renovation, and deferred maintenance of, and equipment and information systems purchases for, certain facilities at the Washington Square campus and certain other properties used by the University.

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The principal amounts outstanding for bonds and notes payable consist of the following at August 31, 2008.

	Washington Square	Polytechnic	Total University	School of Medicine	Hospitals Center	Total NYU Langone Medical Center	Consolidated NYU
DASNY							
Series 1998A bonds, with interest rates ranging from 5.0%, to 6.0% maturing serially through July 2027 (including premium of $14,690 in 2008)	$ 222,580	$ -	$ 222,580	$ -	$ -	$ -	$ 222,580
Series 2000D bonds, with interest rates ranging from 5.3% to 6.8% maturing serially through July 2026 (including premium of $1,300 in 2008)	-	-	-	-	49,700	49,700	49,700
Series 2001A bonds, with interest rates ranging from 5.25% to 5.7% maturing serially through July 2015 (including premium of $2,354 and $187 in 2008)	68,355	-	68,355	5,415	-	5,415	73,770
2001 Series 1 bonds, with interest rates ranging frown 4.4% to 5.5% maturing serially through July 2040 (including premium of $4,146 and $3,392 in 2008)	70,146	-	70,146	57,392	-	57,392	127,538
2001 Series 2 bonds, with interest rates ranging from 4.0% to 5.5% maturing serially through July 2011 through July 2041 (net of discount of $154 and $0 in 2008)	39,939	-	39,939	54,207	-	54,207	94,146
Series 2003A bonds, with interest rates ranging from 1.5% to 5.0%, maturing serially through July 2011 (including premium of $1,776 and $798 in 2008)	26,879	-	26,879	6,225	6,516	12,741	39,620
Series 2003B bonds, with fixed interest rates at 5.0%, maturing in July 2011 (including premium of $1,382 in 2008)	28,257	-	28,257	-	-	-	28,257
Series 2004A bonds, with interest rates ranging 3.5% to 5.0%, maturing serially from July 2014 through July 2034 (including premium of $1,113 in 2008)	55,898	-	55,898	-	-	-	55,898
Series 2006A bonds, with fixed interest rate of 4.8% maturing varying dates through July 2026 (including premium of $2,438 in 2008)	-	-	-	-	97,028	97,028	97,028
Series 2006B bonds, with fixed interest rate of 5.99%, privately placed with a commercial bank, maturing in July 2012	-	-	-	-	21,120	21,120	21,120
Series 2007A bonds, with fixed interest rate of 5.0%, maturing with varying dates through July 2036 (including premium of $4,149 in 2008)	-	-	-	-	166,539	166,539	166,539
Series 2007A bonds, with interest rates ranging from 4.25% to 5.0%, maturing serially from July 2017 through July 2037 (including premium of $3,705 in 2008)	129,850	-	129,850	-	-	-	129,850
Series 2007B bonds, with fixed interest rate of 5.6%, maturing with varying dates through July 2037 (net of discount of $3,144 in 2008)	-	-	-	-	91,006	91,006	91,006
Series 2008A bonds, with interest rates ranging from 4.0% to 5.25%, maturing serially from 2013 through 2023. Thereafter, in July 2029, July 2038 and July 2048 (including premium of $5,309 in 2008)	285,559	-	285,559	-	-	-	285,559
Series 2008B-1 bonds, with interest rates ranging from 3.0% to 5.25%, maturing serially from July 2010 through July 2023. Thereafter, in July 2029, July 2038 and July 2048 (including premium of $3,697 in 2008)	218,732	-	218,732	-	-	-	218,732
Series 2008B-2 bonds, with interest rates ranging from 3.0% to 5.25%, maturing serially from July 2010 through July 2023. Thereafter, in July 2029, July 2038 and July 2048 (including premium of $250 in 2008)	11,920	-	11,920	-	-	-	11,920
Series 2008C bonds, with interest rates ranging from 3.0.% to 5.0%, maturing serially on July 2010 through July 2023. Thereafter, in July 2029 and July 2038 (including premium of $1,028 in 2008)	99,833	-	99,833	-	-	-	99,833
Series 2008D bonds, with interest rates ranging from 4.24% to 5.330%, maturing serially from July 2010 through July 2013	10,705	-	10,705	-	-	-	10,705
Subtotal of DASNY bonds	1,268,653	-	1,268,653	123,239	431,909	555,148	1,823,801

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	Washington Square	Polytechnic	Total University	School of Medicine	Hospitals Center	Total NYU Langone Medical Center	Consolidated NYU
NYCIDA							
NYCIDA Series 2001 bonds, with interest rates ranging from 4.1% to 5.4%, maturing serially from July 2011 through July 2041 (net of discount of $1,358 in 2008)	62,852	-	62,852	-	-	-	62,852
NYCIDA Series 2007 bonds, with interest rates ranging from 4.35% to 5.25%, maturing serially from July 2011 through July 2037 (including premium of $1,613 in 2008)	-	105,313	105,313	-	-	-	105,313
Subtotal of NYCIDA	62,852	105,313	168,165	-	-	-	168,165
Other bonds and notes payable							
Various with interest rates ranging from 3.0% to 16.5%, due through November 2017	1,460	-	1,460	119	46,799	46,918	48,378
Student Loan Marketing Association Term loans, 7.0% due December 2013, 8.4% due August 2012	24,900	-	24,900	141,513	-	141,513	166,413
Bank loan 3.8%	-	10,000	10,000	-	-	-	10,000
Capital leases	17,467	5,565	23,032	-	-	-	23,032
Subtotal of other bonds and notes payable	43,827	15,565	59,392	141,632	46,799	188,431	247,823
Total amounts outstanding	$ 1,375,332	$ 120,878	$ 1,496,210	$ 264,871	$ 478,708	$ 743,579	$ 2,239,789

The fair value of NYU's bonds and notes payable is $2,211,786 at August 31, 2008.

Interest expense on long-term debt totaled $93,417 for the year ended August 31, 2008. This excludes $6,530 of capitalized interest (net of income earned on deposits with bond trustees) for the year ended August 31, 2008, which is included in land, buildings and equipment, net.

In conjunction with the current debt agreements, various security agreements were executed. The agreements include pledging, as collateral, a security interest in NYU's property, plant and equipment, and gross receipts and also place limitations on the use of certain assets.

Other agreements require that the Hospitals Center and Polytechnic maintain certain financial ratios. At August 31, 2008, NYU is compliant with all financial and administrative covenants.

(in thousands of dollars)

Future Principal Payments

The aggregate required principal payments on all bonds and notes payable for each of the next five fiscal years, and to maturity, are as follows:

Year ending August 31	
2009	$ 73,285
2010	62,606
2011	90,470
2012	209,313
2013	45,262
Thereafter	1,719,843
Total principal payments	2,200,779
Unamortized premiums and discounts, net	39,010
	$ 2,239,789

Polytechnic has a loan with a commercial bank. The bank loan is collateralized by certain of Polytechnic investments with a market value of $12,502 at August 31, 2008. The amount outstanding at August 31, 2008 was $10,000. The bank loan is payable on demand and has an interest rate of 3.8%.

During 2003, the Hospitals Center entered into a revolving accounts receivable financing agreement. Under the terms of the agreement, the Hospitals Center borrowed $17,000. In 2004, the Hospitals Center refinanced the facility with another bank. Additionally, in 2004, HJD entered into a similar accounts receivable financing agreement for $7,000. At August 31, 2008, the total amount outstanding was $21,799. Interest is payable at LIBOR plus 80 basis points (4.36% at August 31, 2008). The agreement expires in June, 2012.

In January 2007, the Hospitals Center entered into a loan agreement with two commercial banks for $32,000. The proceeds were used to satisfy funding requirements for the Hospitals Center's defined benefit pension plan. Principal and interest are payable quarterly through December 31, 2011. Interest is payable at LIBOR plus 70 basis points (3.43% at August 31, 2008). At August 31, 2008 the total amount outstanding was $25,000.

In April 2004, the Hospitals Center arranged for a bank syndicate to acquire all of its DASNY Series 2000D bonds, thereby removing the Series 2000D bonds from the 28-day auction mode for a period of five years. Interest is reset at a rate of LIBOR plus 70 basis points (3.17% at August 31, 2008). At August 31, 2008 the amount outstanding was $49,700 under Series 2000D. The arrangement expires January 1, 2009.

11. Self-Insured Professional Liabilities

As described in Note 1, the Hospitals Center is self insured for professional liability primarily through a wholly-owned segregated cell captive company, CCC550, created on April 20, 2005 pursuant to the Exempt Insurance Act of Barbados. Prior coverage for

(in thousands of dollars)

professional and general liability risks was provided through a multi-provider pooled insurance program that includes commercial coverage and a captive insurance program.

Self-insured loss reserves comprise estimates for known reported losses and loss expenses plus a provision for losses incurred but not reported. Losses are valued by an independent actuary and are based on the loss experience of the insured. In management's opinion, recorded reserves for self-insured exposures are adequate to cover the ultimate net cost of losses incurred to date, however, the provision is based on estimates and may ultimately be settled for a significant greater or lesser amount.

CCC550 has investment assets of $115,449 at August 31, 2008 to fund related obligations. Also, within accounts payable and accrued expenses, the Hospitals Center has recorded obligations related to the multi-provider pooled program, obligations related to excess self insured exposures not covered by CCC550, and other self-insured risks. CCC550 has total obligation for insurance exposure of $141,807 as of August 31, 2008.

12. Retirement Plans

Substantially all NYU employees are covered by retirement plans. These plans include various defined contribution plans, multi-employer defined benefit plans, and three NYU - sponsored defined benefit plans. NYU contributes to its defined contribution and multi-employer defined benefit plans based on rates required by union or other contractual arrangements. Expenses related to NYU's defined contribution plans were $80,802 in 2008. Contributions to multi-employer retirement plans totaled $9,856 for the year ended August 31, 2008.

Contributions to defined benefit plans are intended to provide not only for benefits attributed to service to date, but also for those expected to be earned in the future. Contributions to the three defined benefit plans are made in amounts sufficient to meet the minimum funding requirements set forth in the Employee Retirement Income Security Act of 1974 plus such additional amounts as the sponsors may deem appropriate, from time to time. Pension benefits under these three plans are based on participants' final average compensation levels and years of service. The measurement date for one of the three defined benefit plans is June 30 and will change to August 31 in 2009. The other two plans have measurement dates of August 31.

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The following table provides information with respect to these plans as of and for the year ended August 31, 2008:

Plans' Funded Status:

	2008
Change in benefit obligation	
Benefit obligation at beginning year	$ 475,657
Service cost	11,021
Interest cost	26,889
Actuarial gain	(38,159)
Benefits paid	(13,965)
Administrative expense	(414)
Funded status at end of year	461,029
Change in fair value of plan assets	
Fair value of plan assets at beginning of year	$ 413,927
Actual return on plan assets	(24,305)
Employer contributions	12,086
Benefits paid	(13,965)
Administrative expense	(414)
Fair value of plan assets at end of year	387,329
Accrued benefit obligation	$ (73,700)
Weighted average assumptions as of August 31	
Discount rate	6.75%
Rate of increase in compensation levels	3.50% - 4.00%

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Net Periodic Benefit Cost:

		2008
Components of net periodic benefit cost		
Service cost	$	11,021
Interest cost		26,889
Expected return on plan assets		(30,611)
Amortization of prior service cost		436
Actuarial loss		2,449
Net periodic benefit cost	$	10,184
Other changes recognized in unrestricted net assets		
Prior service cost arising during period		-
Actuarial net loss arising during period		16,756
Amortization of prior service cost		(436)
Amortization of actuarial loss		(2,449)
Total recognized in nonoperating activities	$	13,871
Change in unrestricted net assets		
Amounts in unrestricted net assets as of August 31, 2007	$	67,120
Fiscal 2008 change in the amount recognized in nonoperating activities		13,871
Amounts in unrestricted net assets as of August 31, 2008	$	80,991
Amounts in unrestricted net assets expected to be recognized in net periodic pension cost in fiscal 2009		
Actuarial gain	$	448
Prior service cost		395
Weighted average assumptions as of August 31		
Discount rate		6.25% - 6.75%
Rate of increase in compensation levels		3.50% - 4.00%
Expected long-term rate of return on plan assets		8.00% - 8.75%

The accumulated benefit obligation for the pension plans was $407,577 at August 31, 2008.

Plan Assets:

The plans' investment objectives seek a positive long-term total rate of return after inflation to meet NYU's current and future plan obligations. Asset allocations for the plans combine tested theory and informed market judgments to balance investment risks with the need for high returns.

The expected long-term rate of return assumption is determined by adding expected inflation to expected long-term real returns of various asset classes, weighting the asset

(in thousands of dollars)

class returns by the plans' investment in each class, and taking into account expected volatility and correlation between the returns of various asset classes. NYU management believes 8.00% - 8.75% is a reasonable long term rate of return on plan assets for 2008 and will continue to evaluate the actuarial assumptions and adjust the assumptions as necessary.

The plans' asset allocations as of August 31, 2008, by asset category are as follows:

	2008
Equity securities	47%
Fixed income securities	28%
Real estate	4%
Other	21%

Contributions:

Annual contributions are determined by NYU based upon calculations prepared by the Plans' actuaries. Expected contributions for the 2009 fiscal year are $22,324.

Benefit Payments:

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

Year ending August 31	
2009	$ 19,606
2010	22,048
2011	24,070
2012	26,238
2013	28,468
2014-2018	173,057

13. Other Postretirement Benefits

NYU provides certain health care and life insurance benefits for eligible retired employees. NYU employees may become eligible for these benefits if they reach the age and service requirements of the plan while working for NYU. The costs related to these plans are accrued during the period the employees provide service to NYU.

New York University
Notes to the Consolidated Financial Statements
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(in thousands of dollars)

Information with respect to these plans as of and for the year ended August 31, 2008 is as follows:

Plans' Funded Status:

	2008
Change in benefit obligation	
Benefit obligation at beginning of year	$ 333,963
Service cost	16,304
Interest cost	20,138
Plan amendment	(4,193)
Actuarial gain	(18,350)
Participant contributions	2,724
Retiree drug subsidy receipts	1,330
Benefits paid	(16,614)
Benefit obligation at end of year	335,302
Change in fair value of plan assets	
Fair value of plan assets at beginning of year	$ 18,631
Actual return on plan assets	720
Fair value of plan assets at end of year	19,351
Accrued postretirement benefit obligation	$ (315,951)

A plan amendment was made in 2008, whereby certain Hospital Center employees are no longer eligible to receive retiree health care and life insurance benefits. This change resulted in a curtailment gain of $1,333.

Weighted average assumptions as of August 31	
Discount rate	6.40% - 6.75%
Expected long-term rate of return	8.25%
Ultimate retiree health-care cost trend	5.00%
Year ultimate trend rate is achieved	2016 - 2018

Net Periodic Benefit Cost:

Components of net periodic benefit cost	
Service cost	$ 16,304
Interest cost	20,138
Expected return on plan assets	(1,538)
Amortization of transition cost	22
Amortization of plan service cost	(4,494)
Actuarial loss	2,760
	33,192
Curtailment gain	(1,333)
Net periodic benefit cost	$ 31,859

New York University
Notes to the Consolidated Financial Statements
August 31, 2008

(in thousands of dollars)

Other changes recognized in unrestricted net assets		
Amortization of actuarial net loss	$	(2,760)
Actuarial net loss arising during period		(17,533)
Amortization of prior service cost		4,494
Prior service cost arising during period		(4,193)
Amortization of transition obligation		(22)
Curtailment gain		1,333
Total recognized in nonoperating activities	$	(18,681)

Amounts not yet reflected in net periodic benefit cost and included in unrestricted net assets		
Transition assets	$	109
Prior service credit		(26,490)
Accumulated loss		51,940
Amounts in unrestricted net assets at August 31, 2008	$	25,559

Change in unrestricted net assets		
Amounts in unrestricted net assets at August 31, 2007	$	44,240
Fiscal 2008 change in the amount recognized in nonoperating activities		(18,681)
Amounts in unrestricted net assets at August 31, 2008	$	25,559

Amounts in unrestricted net assets expected to be recognized in net periodic pension cost in fiscal 2009		
Actuarial gain	$	1,527
Prior service credit		(4,642)
Transition (asset) obligation		22

In 2008, the effect of a 1% change in the health care cost trend rate is as follows:

	1% Increase	1% Decrease
Effect on net periodic benefit cost	$ 7,232	$ (5,720)
Effect on postretirement benefit obligation	50,999	(41,811)
Net periodic benefit cost	$ 58,231	$ (47,531)

(in thousands of dollars)

Plan Assets:

The plan's investment objectives seek a positive long-term total rate of return after inflation to meet NYU's current and future plan obligations. The asset allocation for the plan combines tested theory and informed market judgments to balance investment risks with the need for high returns.

The expected long-term rate of return assumption is determined by adding expected inflation to expected long-term real returns of various asset classes, taking into account expected volatility and correlation between the returns of various asset classes. NYU management believes that 8.25% is a reasonable long term rate of return on plan assets for 2008 and will continue to evaluate the actuarial assumptions and adjust the assumptions as necessary.

The plan's assets were primarily invested in cash as of August 31, 2008.

Benefit Payments:

The following benefit payments (net of retiree contributions), which reflect the effects of the Medicare Act and expected future service, as appropriate, are expected to be paid:

	Benefit Payments
Year ending August 31	
2009	$ 13,400
2010	14,544
2011	15,630
2012	16,919
2013	18,033
Thereafter	111,955

14. Obligations with Financial Institutions

At August 31, 2008, Washington Square's contractually committed bank credit agreements totaled $400,000. These agreements generally provide for interest rates at a floating rate index plus a predetermined margin. A $300,000 agreement extends through August 10, 2009. A $100,000 agreement extends through June 24, 2011 and has a five basis point commitment fee payable monthly. At August 31, 2008 there were no amounts outstanding under these agreements.

(in thousands of dollars)

15. Grants and Contracts

Grants and contracts revenue represents reimbursements of costs incurred in direct support of research activities. Additionally, such sponsored grants and contracts generally provide for the recovery of indirect costs supporting the research effort. Indirect costs, included in grants and contracts revenues, are recovered at rates established in advance by the University through negotiations with the Federal government and other private sponsors and amounted to $79,701 for the year ended August 31, 2008.

16. Hospital Affiliations

The School of Medicine has two affiliation agreements with the New York City Health and Hospitals Corporation (HHC) to provide general care and mental health services. One agreement is with Woodhull Medical and Mental Health Center and Cumberland Diagnostic and Treatment Center which terminates June 30, 2010. The other agreement is with Bellevue Hospital Center and Gouverneur Diagnostic and Treatment Center which terminates June 30, 2011.

17. Allocated Expenses

Certain expenses incurred by NYU are allocated to specific program and support service activities on the basis of utilization of the underlying assets. Expenses included in this allocation are operation and maintenance of plant, interest on indebtedness, and depreciation and amortization. These expenses, which are included in total operating expenses for the years ended August 31, 2008, are presented below:

	Operation and Maintenance of Plant	Interest on Indebtedness	Depreciation and Amortization	2008 Total
Instruction and other academic programs	$ 72,714	$ 31,717	$ 58,088	$ 162,519
Research and other sponsored programs	21,171	6,130	14,217	41,518
Patient care	912,823	672	1,262	914,757
Libraries	9,419	1,144	7,394	17,957
Student services	13,357	629	10,862	24,848
Institutional services	236,526	25,614	59,758	321,898
Auxiliary enterprises	63,356	27,511	48,677	139,544
Total	$ 1,329,366	$ 93,417	$ 200,258	$ 1,623,041

New York University
Notes to the Consolidated Financial Statements
August 31, 2008

(in thousands of dollars)

18. Components of Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at August 31, 2008:

	2008
Contributions and earnings for operating purposes	$ 356,144
Contributions for buildings and equipment	149,758
Annuity trust agreements	22,445
Scholarships and fellowships	2,366
Total	$ 530,713

Permanently restricted net assets at August 31, 2008 are retained in perpetuity to support the following activities:

	2008
Program support	$ 431,841
Faculty and staff salaries	488,222
Scholarships and fellowships	289,813
Library books	11,056
Research and sponsored programs	29,678
Buildings and equipment	1,907
Student loans	1,416
Total	$ 1,253,933

19. Commitments and Contingencies

In the normal course of business, NYU leases facilities under operating leases. Minimum rental payments under these agreements over the next five years and thereafter are as follows:

	Rental Lease Payments
Year ending August 31	
2009	$ 121,191
2010	94,985
2011	89,225
2012	87,958
2013	80,448
Thereafter	357,540

Rent expense was $127,843 for the year ended August 31, 2008.

(in thousands of dollars)

The current Medicare, Medicaid and other third-party payor programs are based upon extremely complex laws and regulations that are subject to interpretation. Additionally, noncompliance with such laws and regulations could result in fines, penalties and exclusion from such programs. The Medical Center is not aware of any allegations of noncompliance that could have a material adverse effect on the consolidated financial statements and believes that it is in compliance with all applicable laws and regulations.

The Hospitals Center is self-insured for workers' compensation benefits. In connection with being self-insured, the Hospitals Center has stand-by letters of credit aggregating approximately $12,100 at August 31, 2008. Cash and marketable securities collateralize the letters of credit.

NYU is a defendant in various legal actions arising from the normal course of its operations and amounts expended under government grants and contracts are subject to audit by governmental agencies. In addition, amounts received for patient care from Medicare and Medicaid are subject to audit. Although the final outcome of such actions and audits cannot be determined, management believes that eventual liability, if any, will not have a material effect on the NYU's consolidated financial position.

20. Subsequent Events

In September 2007, NYU entered into an agreement with the Executive Affairs Authority of Abu Dhabi to establish a research and degree-granting branch campus of NYU in Abu Dhabi. "NYU Abu Dhabi" is expected to be the first comprehensive liberal arts campus to be operated abroad by a major U.S. research University. This campus, when completed, is expected to serve upwards of 2,000 students, including students from the Middle East, South Asia, and Central Asia. A temporary facility in which NYU Abu Dhabi will operate is scheduled to open in the Fall, 2009; the permanent campus for NYU Abu Dhabi is scheduled to be completed in 2012.

On December 1, 2008, the University purchased an office building for its own use with $210,732 of proceeds from the 2008 Series B bonds (see Note 10).

Subsequent to August 31, 2008, the U.S. and global financial markets have experienced significant volatility and illiquidity due, in part, to currently economic conditions and declines in the financial sector. NYU's investment portfolio as well as investments held by CCC550 have experienced similar negative volatility. However, NYU has been able to maintain its liquidity and its operations have not been significantly impacted. NYU halted its securities lending program and expects to reduce the balances outstanding by approximately 50% during the 2009 fiscal year.

The volatility and illiquidity in the U.S. and global financials markets has also had an effect on the value of the plan assets held by NYU's defined benefit pension plans and postretirement benefit plans. However, NYU is able to meet the obligations of those plans with existing plan assets or any additional contributions as may be required under federal pension regulations.

(in thousands of dollars)

Subsequent to August 31, 2008, the Hospitals Center arranged for the extension of a bank syndicate to hold $49,700 DASNY Series 2000D bonds for a period of three years, commencing January 1, 2009. Interest is reset at a rate of LIBOR plus 200 basis points. The agreement is expected to close by December 31, 2008.

(in thousands of dollars)

Appendix A:

Supplemental Schedules to the Consolidated Financial Statements

New York University
Supplemental Schedule to the Financial Statements
(Consolidating Balance Sheet for the University)
August 31, 2008

(in thousands of dollars)

	Washington Square	* Polytechnic	NYU Langone Medical Center Eliminations	Total University
Assets				
Cash and cash equivalents	$ 617,083	$ 2,698	$ -	$ 619,781
Short-term investments (Note 4)	31,556	-		31,556
Accounts and loans receivable, net (Note 5)	221,064	12,252	(35,624)	197,692
Patient accounts receivable	2,328	-	-	2,328
Contributions receivable, net (Note 6)	256,523	498	-	257,021
Other assets (Note 8)	99,901	9,936	-	109,837
Deposits with trustees (Note 7)	486,279	7,522	-	493,801
Collateral for securities loaned (Notes 4 and 20)	78,513	-	-	78,513
Long-term investments (Notes 4 and 20)	1,737,178	126,219	-	1,863,397
Land, buildings, and equipment, net (Notes 2 and 9)	1,895,009	118,124	-	2,013,133
Total assets	$ 5,425,434	$ 277,249	$ (35,624)	$ 5,667,059
Liabilities and Net Assets				
Liabilities				
Accounts payable and accrued expenses	$ 243,722	$ 10,052	$ (35,624)	$ 218,150
Deferred revenue	566,180	658	-	566,838
Securities loan agreements payable (Notes 4 and 20)	78,513	-	-	78,513
Bonds and notes payable (Note 10)	1,375,332	120,878	-	1,496,210
Federal grants refundable	60,447	3,742	-	64,189
Accrued benefit obligation (Note 12)	21,173	-	-	21,173
Accrued postretirement obligation (Note 13)	210,234	12,485	-	222,719
Asset retirement obligation (Note 2)	93,708	1,538	-	95,246
Total liabilities	2,649,309	149,353	(35,624)	2,763,038
Net assets				
Unrestricted net assets	1,640,650	9,655	-	1,650,305
Temporarily restricted net assets (Note 18)	231,950	1,210	-	233,160
Permanently restricted net assets (Note 18)	903,525	117,031	-	1,020,556
Total net assets	2,776,125	127,896	-	2,904,021
Total liabilities and net assets	$ 5,425,434	$ 277,249	$ (35,624)	$ 5,667,059

* As of June 30, 2008

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

New York University
Supplemental Schedule to the Financial Statements
(Consolidating Balance Sheet for NYU Langone Medical Center)
August 31, 2008

(in thousands of dollars)

	Hospitals	CCC550	Hospitals Center Eliminations	Total Hospitals Center	School of Medicine	Medical Center Eliminations	Total NYU Langone Medical Center
Assets							
Cash and cash equivalents	$ 136,373	$ -	$ -	$ 136,373	$ 122,664	$ -	$ 259,037
Short-term investments (Note 4)	10,827	-	-	10,827	173,476	-	184,303
Accounts and loans receivable, net (Note 5)	-	63,150	(40,223)	22,927	46,654	-	69,581
Patient accounts receivable, net (Note 3)	138,735	-	-	138,735	38,444	-	177,179
Due from NYU Hospital Center	-	-	-	-	11,890	(11,890)	-
Contributions receivable, net (Note 6)	152,081	-	-	152,081	112,078	-	264,159
Other assets (Note 8)	92,733	1,701	(2,457)	91,977	36,966	-	128,943
Deposits with trustees (Note 7)	135,337	-	-	135,337	3,710	-	139,047
Long-term investments (Notes 4 and 20)	47,558	-	-	47,558	759,145	-	806,703
Assets held by CCC550 (Note 11)	-	115,449	-	115,449	-	-	115,449
Land, buildings, and equipment, net (Notes 2 and 9)	467,334	-	-	467,334	383,622	-	850,956
Total assets	$ 1,180,978	$ 180,300	$ (42,680)	$ 1,318,598	$ 1,688,649	$ (11,890)	$ 2,995,357
Liabilities and Net Assets							
Liabilities							
Accounts payable and accrued expenses	$ 262,878	$ 163	$ (4,350)	258,691	$ 166,191	$ -	$ 424,882
Due to School of Medicine	11,890	-	-	11,890	-	(11,890)	-
Deferred revenue	-	37,273	(37,273)	-	42,973	-	42,973
Outstanding losses and loss adjustment expenses (Note 11)	-	141,807	-	141,807	-	-	141,807
Due to New York University	-	-	-	-	35,624	-	35,624
Bonds and notes payable (Note 10)	478,708	-	-	478,708	264,871	-	743,579
Federal grants refundable	-	-	-	-	10,332	-	10,332
Accrued benefit obligation (Note 12)	35,693	-	-	35,693	16,834	-	52,527
Accrued postretirement obligation (Note 13)	44,726	-	-	44,726	48,506	-	93,232
Asset retirement obligation	2,249	-	-	2,249	11,479	-	13,728
Total liabilities	836,144	179,243	(41,623)	973,764	596,810	(11,890)	1,558,684
Net assets							
Unrestricted net assets	172,894	1,057	(1,057)	172,894	732,849	-	905,743
Temporarily restricted net assets (Note 18)	163,178	-	-	163,178	134,375	-	297,553
Permanently restricted net assets (Note 18)	8,762	-	-	8,762	224,615	-	233,377
Total net assets	344,834	1,057	(1,057)	344,834	1,091,839	-	1,436,673
Total liabilities and net assets	$ 1,180,978	$ 180,300	$ (42,680)	$ 1,318,598	$ 1,688,649	$ (11,890)	$ 2,995,357

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

New York University
Supplemental Schedule to the Financial Statements
(Consolidating Balance Sheet for NYU Consolidated)
August 31, 2008

(in thousands of dollars)

	Washington Square	School of Medicine	Eliminations	Subtotal	*Polytechnic	Hospitals Center	CCC550	Eliminations	Total Consolidated NYU
Assets									
Cash and cash equivalents	$ 617,083	$ 122,664	$ -	$ 739,747	$ 2,698	$ 136,373	$ -	$ -	$ 878,818
Short-term investments (Note 4)	31,556	173,476	-	205,032	-	10,827	-	-	215,859
Accounts and loans receivable, net (Note 5)	221,064	58,544	(35,624)	243,984	12,252	-	63,150	(52,113)	267,273
Patient accounts eceivable, net	2,328	38,444	-	40,772	-	138,735	-	-	179,507
Contributions receivable, net (Note 6)	256,523	112,078	-	368,601	498	152,081	-	-	521,180
Other assets (Note 8)	99,901	36,966	-	136,867	9,936	92,733	1,701	(2,457)	238,780
Deposits with trustees (Note 7)	486,279	3,710	-	489,989	7,522	135,337	-	-	632,848
Collateral for securities loaned (Notes 4 and 20)	78,513	-	-	78,513	-	-	-	-	78,513
Long-term investments (Notes 4 and 20)	1,737,178	759,145	-	2,496,323	126,219	47,558	-	-	2,670,100
Assets held by CCC550 (Note 11)	-	-	-	-	-	-	115,449	-	115,449
Land, buildings, and equipment, net (Notes 2 and 9)	1,895,009	383,622	-	2,278,631	118,124	467,334	-	-	2,864,089
Total assets	$ 5,425,434	$ 1,688,649	$ (35,624)	$ 7,078,459	$ 277,249	$ 1,180,978	$ 180,300	$ (54,570)	$ 8,662,416
Liabilities and Net Assets									
Liabilities									
Accounts payable and accrued expenses	$ 243,722	$ 201,815	$ (35,624)	$ 409,913	$ 10,052	$ 274,768	$ 163	$ (16,240)	$ 678,656
Deferred revenue	566,180	42,973	-	609,153	658	-	37,273	(37,273)	609,811
Outstanding losses and loss adjustment expenses (Note 11)	-	-	-	-	-	-	141,807	-	141,807
Security loan agreements payable (Notes 4 and 20)	78,513	-	-	78,513	-	-	-	-	78,513
Bonds and notes payable (Note 10)	1,375,332	264,871	-	1,640,203	120,878	478,708	-	-	2,239,789
Federal grants refundable	60,447	10,332	-	70,779	3,742	-	-	-	74,521
Accrued benefit obligation (Note 12)	21,173	16,834	-	38,007	-	35,693	-	-	73,700
Accrued postretirement obligation (Note 13)	210,234	48,506	-	258,740	12,485	44,726	-	-	315,951
Asset retirement obligation (Note 2)	93,708	11,479	-	105,187	1,538	2,249	-	-	108,974
Total liabilities	2,649,309	596,810	(35,624)	3,210,495	149,353	836,144	179,243	(53,513)	4,321,722
Net assets									
Unrestricted	1,640,650	732,849	-	2,373,499	9,655	172,894	1,057	(1,057)	2,556,048
Temporarily restricted (Note 18)	231,950	134,375	-	366,325	1,210	163,178			530,713
Permanently restricted (Note 18)	903,525	224,615	-	1,128,140	117,031	8,762			1,253,933
Total net assets	2,776,125	1,091,839	-	3,867,964	127,896	344,834	1,057	(1,057)	4,340,694
Total liabilities and net assets	$ 5,425,434	$ 1,688,649	$ (35,624)	$ 7,078,459	$ 277,249	$ 1,180,978	$ 180,300	$ (54,570)	$ 8,662,416

* As of June 30, 2008

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

New York University
Supplemental Schedule to the Financial Statements
(Consolidating Statement of Activities for University)
Year Ended August 31, 2008

(in thousands of dollars)

	Washington Square	* Polytechnic	NYU Langone Medical Center Eliminations	Total University
Changes in unrestricted net assets				
Operating Revenues				
Tuition and fees (net of financial aid awards of $223,184 Washington Square; Square; $28,814 Polytechnic)	$ 1,140,594	$ 48,313	$ -	$ 1,188,907
Grants and contracts (Note 15)	108,690	12,577	-	121,267
Patient care (Note 3)	39,303	-	-	39,303
New York State appropriation	4,592	238	-	4,830
Contributions	69,429	2,643	-	72,072
Endowment distribution and return on short-term investments (Note 4)	90,267	4,310	-	94,577
Auxiliary enterprises	313,925	5,685	-	319,610
Program fees and other income	83,380	1,725	(7,521)	77,584
Net assets released from restrictions	73,013	19,067	-	92,080
Total operating revenues	1,923,193	94,558	(7,521)	2,010,230
Operating Expenses (Note 17)				
Instruction and other academic programs	1,032,780	52,229	-	1,085,009
Research and other sponsored programs	103,224	13,278	-	116,502
Patient care	39,639	-	-	39,639
Libraries	56,282	-	-	56,282
Student services	97,486	8,645	-	106,131
Institutional services	183,302	16,461	(7,521)	192,242
Auxiliary enterprises	318,162	5,185	-	323,347
Total operating expenses	1,830,875	95,798	(7,521)	1,919,152
Excess (deficiency) of operating revenues over expenses	92,318	(1,240)	-	91,078
Non-operating activities				
Investment return less than endowment distribution, net (Note 4)	(98,354)	(11,001)	-	(109,355)
Other	5,287	(1,538)	-	3,749
Net assets released from restrictions for capital purposes	6,326	-	-	6,326
Changes in pension and postretirement obligations (Notes 12 and 13)	(5,299)	467	-	(4,832)
Increase (decrease) in unrestricted net assets	278	(13,312)	-	(13,034)
Changes in temporarily restricted net assets				
Contributions	85,872	5,092	-	90,964
Investment return, net (Note 4)	(3,173)	1,072	-	(2,101)
Other	(15,935)	57	-	(15,878)
Net assets released from restrictions	(79,339)	(11,531)	-	(90,870)
Decrease in temporarily restricted net assets	(12,575)	(5,310)	-	(17,885)
Changes in permanently restricted net assets				
Contributions	78,927	391	-	79,318
Unrealized loss on deposits with trustees	(8,135)	-		(8,135)
Net assets released from restrictions	-	(7,536)	-	(7,536)
Increase (decrease) in permanently restricted net assets	70,792	(7,145)	-	63,647
Change in net assets	$ 58,495	$ (25,767)	$ -	$ 32,728

* For the year ended June 30, 2008

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

New York University
Supplemental Schedule to the Financial Statements
(Consolidating Statement of Activities for NYU Langone Medical Center)
Year Ended August 31, 2008

(in thousands of dollars)

	Hospitals	CCC550	Hospitals Center Eliminations	Total Hospitals Center	School of Medicine	Medical Center Eliminations	Total NYU Langone Medical Center
Changes in unrestricted net assets							
Operating Revenues							
Tuition and fees (net of financial aid awards of $3,489)	$ -	$ -	$ -	$ -	$ 30,187	$ -	$ 30,187
Grants and contracts (Note 15)	3,210	-	-	3,210	196,309	-	199,519
Patient care (Note 3)	1,123,180	-	-	1,123,180	295,075	(15,730)	1,402,525
Hospital affiliations (Note 16)	-	-	-	-	246,019	-	246,019
Premiums earned	-	41,395	(12,871)	28,524	-	-	28,524
Contributions	13,631	-	-	13,631	53,435	-	67,066
Endowment distribution and return on short-term investments (Note 4)	907	-	-	907	27,711	-	28,618
Auxiliary enterprises	-	-	-	-	33,312	-	33,312
Program fees and other income	45,153	-	7,710	52,863	44,293	(14,696)	82,460
Net assets release from restrictions	10,201	-	-	10,201	61,208	-	71,409
Total operating revenues	1,196,282	41,395	(5,161)	1,232,516	987,549	(30,426)	2,189,639
Operating expenses (Note 17)							
Instruction and other academic programs	-	-	-	-	146,947	-	146,947
Research and other sponsored programs	-	-	-	-	196,149	-	196,149
Patient care	910,855	-	-	910,855	257,103	-	1,167,958
Hospital affiliations (Note 16)	-	-	-	-	241,219	-	241,219
Libraries	-	-	-	-	9,824	-	9,824
Student services	-	-	-	-	4,427	-	4,427
Institutional services	250,636	44,540	(12,871)	282,305	86,301	(30,426)	338,180
Auxiliary enterprises	-	-	-	-	72,881	-	72,881
Total operating expenses	1,161,491	44,540	(12,871)	1,193,160	1,014,851	(30,426)	2,177,585
Excess (deficiency) of operating revenues over expenses	34,791	(3,145)	7,710	39,356	(27,302)	-	12,054
Non-operating activities							
Investment return less than endowment distribution, net (Note 4)	445	(4,565)	-	(4,120)	(39,307)	-	(43,427)
Other	-	-	-	-	655	-	655
Net assets released from restrictions for capital purposes	9,368	-	-	9,368	-	-	9,368
Changes in pension and postretirement obligations (Notes 12 and 13)	7,306	-	-	7,306	2,336	-	9,642
Increase (decrease) in unrestricted net assets	51,910	(7,710)	7,710	51,910	(63,618)	-	(11,708)
Changes in temporarily restricted net assets							
Contributions	109,369	-	-	109,369	39,941	-	149,310
Investment return, net (Note 4)	-	-	-	-	1,198	-	1,198
Net assets released from restrictions	(19,569)	-	-	(19,569)	(61,208)	-	(80,777)
Increase (decrease) in temporarily restricted net assets	89,800	-	-	89,800	(20,069)	-	69,731
Changes in permanently restricted net assets							
Contributions	-	-	-	-	15,812	-	15,812
Other	4	-	-	4	-	-	4
Increase in permanently restricted net assets	4	-	-	4	15,812	-	15,816
Change in net assets	$ 141,714	$ (7,710)	$ 7,710	$ 141,714	$ (67,875)	$ -	$ 73,839

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

New York University
Supplemental Schedule to the Financial Statements
(Consolidating Statement of Activities for NYU Consolidated)
Year Ended August 31, 2008

(in thousands of dollars)

	Washington Square	School of Medicine	Eliminations	Subtotal	* Polytechnic	Hospitals	CCC550	Eliminations	Total Consolidated NYU
Changes in unrestricted net assets									
Operating Revenues									
Tuition and fees (net of financial aid awards of $251,998 University; $3,489 Medical Center)	$ 1,140,594	$ 30,187	$ -	$ 1,170,781	$ 48,313	$ -	$ -	$ -	$ 1,219,094
Grants and contracts (Note 15)	108,690	196,309	-	304,999	12,577	3,210	-	-	320,786
Patient care (Note 3)	39,303	295,075	-	334,378	-	1,123,180	-	(15,730)	1,441,828
Premiums earned	-	-	-	-	-	-	41,395	(12,871)	28,524
Hopsital affiliations (Note 16)	-	246,019	-	246,019	-	-	-	-	246,019
New York State appropriation	4,592	-	-	4,592	238	-	-	-	4,830
Contributions	69,429	53,435	-	122,864	2,643	13,631	-	-	139,138
Endowment distribution and return on short-term investments (Note 4)	90,267	27,711	-	117,978	4,310	907	-	-	123,195
Auxiliary enterprises	313,925	33,312	-	347,237	5,685	-	-	-	352,922
Program fees and other	83,380	44,293	(7,521)	120,152	1,725	45,153	-	(6,986)	160,044
Net assets released from restrictions	73,013	61,208	-	134,221	19,067	10,201	-	-	163,489
Total operating revenues	1,923,193	987,549	(7,521)	2,903,221	94,558	1,196,282	41,395	(35,587)	4,199,869
Operating expenses (Note 17)									
Instruction and other academic programs	1,032,780	146,947	-	1,179,727	52,229	-	-	-	1,231,956
Research and other sponsored programs (Note 15)	103,224	196,149	-	299,373	13,278	-	-	-	312,651
Patient care	39,639	257,103	-	296,742	-	910,855	-	-	1,207,597
Hospital affiliations (Note 16)	-	241,219	-	241,219	-	-	-	-	241,219
Libraries	56,282	9,824	-	66,106	-	-	-	-	66,106
Student services	97,486	4,427	-	101,913	8,645	-	-	-	110,558
Institutional services	183,302	86,301	(7,521)	262,082	16,461	250,636	44,540	(43,297)	530,422
Auxiliary enterprises	318,162	72,881	-	391,043	5,185	-	-	-	396,228
Total operating expenses	1,830,875	1,014,851	(7,521)	2,838,205	95,798	1,161,491	44,540	(43,297)	4,096,737
Excess (deficiency) of operating revenues over operating expenses	92,318	(27,302)	-	65,016	(1,240)	34,791	(3,145)	7,710	103,132
Nonoperating activities									-
Investment return less than endowment distribution, net (Note 4)	(98,354)	(39,307)	-	(137,661)	(11,001)	445	(4,565)	-	(152,782)
Other	5,287	655	-	5,942	(1,538)	-	-	-	4,404
Net assets released from restrictions for capital purposes	6,326		-	6,326		9,368			15,694
Changes in pension and postretirement obligations (Notes 12 and 13)	(5,299)	2,336	-	(2,963)	467	7,306	-	-	4,810
Increase (decrease) in unrestricted net assets	278	(63,618)	-	(63,340)	(13,312)	51,910	(7,710)	7,710	(24,742)
Changes in temporarily restricted net assets									
Contributions	85,872	39,941	-	125,813	5,092	109,369	-	-	240,274
Investment return, net (Note 4)	(3,173)	1,198	-	(1,975)	1,072	-	-	-	(903)
Other	(15,935)	-	-	(15,935)	57	-	-	-	(15,878)
Net assets released from restrictions	(79,339)	(61,208)	-	(140,547)	(11,531)	(19,569)	-	-	(171,647)
(Decrease) increase in temporarily restricted net assets	(12,575)	(20,069)	-	(32,644)	(5,310)	89,800	-	-	51,846
Changes in permanently restricted net assets									
Contributions	78,927	15,812	-	94,739	391	-	-	-	95,130
Unrealized loss on deposits with trustees	(8,135)	-	-	(8,135)	-	-	-	-	(8,135)
Net assets released from restrictions	-	-	-	-	(7,536)	-	-	-	(7,536)
Other	-	-	-	-	-	4	-	-	4
Increase (decrease) in permanently restricted net assets	70,792	15,812	-	86,604	(7,145)	4	-	-	79,463
Change in net assets	$ 58,495	$ (67,875)	$ -	$ (9,380)	$ (25,767)	$ 141,714	$ (7,710)	$ 7,710	$ 106,567

*For the year ended June 30, 2008

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

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Appendix C

SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT

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SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT

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

Construction of Projects

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

(Section 5)

Amendment of a Project; Cost Increases; Additional Bonds

A Project may be amended by the University with the prior written consent of an Authorized Officer of the Authority, which consent will not be unreasonably withheld, to decrease, increase or otherwise modify the scope thereof. Any such increase may provide for the addition of any further acquisition, design, construction, reconstruction, rehabilitation, renovation, improving, or otherwise providing furnishing and equipping of a Project which the Authority is authorized to undertake.

(Section 6)

Financial Obligations of the University; General and Unconditional Obligation; Voluntary Payments

Except to the extent that money is available therefor under the Resolution or the Loan Agreement, including money in the Debt Service Fund (other than money required to pay the Redemption Price or purchase price of Outstanding Bonds theretofore called for redemption or contracted to be purchased, plus interest accrued to the date of redemption or purchase), and excluding interest accrued but unpaid on investments held in the Debt Service Fund, the University pursuant to the Loan Agreement unconditionally agrees to pay, so long as Bonds are Outstanding, to or upon the order of the Authority, from its general funds or any other moneys legally available to it:

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

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

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

(d) On the fifth Business Day immediately preceding the July 1 and January 1 on which interest becomes due on Outstanding Bonds, other than Variable Interest Rate Bonds, the interest becoming due on such July 1 or January 1 interest payment date for such Bonds;

(e) On the fifth Business Day immediately preceding the date on which the principal or Sinking Fund Installments on any Outstanding Bonds becomes due, the principal and Sinking Fund Installments on the Bonds coming due on date;

(f) At least five Business Days prior to any date on which the Redemption Price or purchase price of Bonds previously called for redemption or to be purchased is to be paid, the amount required to pay the Redemption Price or purchase price of such Bonds;

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

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

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

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

(k) By 5:00 P.M., New York City time, on the date Option Bonds are tendered for purchase by the Holders thereof or on the date Variable Rate Bonds are subject to mandatory tender for purchase, as the case may be, the amount, in immediately available funds, required to pay the purchase price of Option Bonds or Variable Rate Bonds tendered for purchase and not remarketed or remarketed at less than the principal amount thereof and which is not to be paid from money to be made available pursuant to a Liquidity Facility; *provided, however*, that if such notice is given to the University by 10:00 A.M., New York City time, then such amount shall be paid, in immediately available funds, by 12:30 P.M., New York City time, on such day; *provided, further*, that, if such notice is given to the University after 3:00 P.M., New York City time, then such amount shall be paid, in immediately available funds, by 10:00 A.M., New York City time, on the next succeeding day; and

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

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

The Authority directs the University, and the University agrees, to make the payments required by paragraphs (c), (d), (e), (f), (i) and (j) above directly to the Trustee for deposit and application in accordance with the Resolution, the payments required by paragraph (b) above directly to the Trustee for deposit in a Construction Fund or other fund established under the Resolution, as directed by an Authorized Officer of the Authority, the payments required by paragraphs (a), (g) and (h) above directly to the Authority and the payments required by paragraphs (k) and (l) above to or upon the order of the Authority.

Notwithstanding any provision in the Loan Agreement or in the Resolution to the contrary (except as otherwise specifically provided for in this section), all money paid by the University to the Trustee pursuant to the Loan Agreement or otherwise held by the Trustee shall be applied in reduction of the University's indebtedness to the Authority thereunder first with respect to interest and then, with respect to the principal amount of such indebtedness, but only to the extent that, with respect to interest on such indebtedness, such money is applied by the Trustee for the payment of interest on Outstanding Bonds, and, with respect to the principal of such indebtedness, such money has been applied to, or are held for, payments in reduction of the principal amount of Outstanding Bonds and as a result thereof Bonds have been paid or deemed to have been paid in accordance with the Resolution. Except as otherwise provided in the Resolution, the Trustee shall hold such money in trust in accordance with the applicable provisions of the Resolution for the sole and exclusive benefit of the Holders of Bonds, regardless of the actual due date or applicable payment date of any payment to the Holders of Bonds.

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

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

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

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

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

(Section 9)

Consent to Pledge and Assignment

The University consents to and authorizes the assignment, transfer or pledge by the Authority to the Trustee of (i) the Authority's rights to receive the payments required to be made pursuant to paragraphs (c), (d), (e), (f) and (i) of the provisions of the Loan Agreement summarized above under the caption *"Financial Obligations of the University; General and Unconditional Obligation; Voluntary Payments"*, (ii) any or all security interests that may be granted by the University under the second paragraph of the provisions of the Loan Agreement summarized below under the caption *"Management Consultant"* and (iii) all funds and accounts established by the Resolution and pledged thereby in each case to secure any payment or the performance of any obligation of the University under the Loan Agreement or arising out of the transactions contemplated in the Loan Agreement whether or not the right to enforce such payment or performance shall be specifically assigned by the Authority to the Trustee. The University further agrees that the Authority may pledge and assign to the Trustee any and all of the Authority's rights and remedies under the Loan Agreement. Upon any pledge and assignment by the Authority to the Trustee authorized by this section, the Trustee shall be fully vested with all of the rights of the Authority so assigned and pledged and may thereafter exercise or enforce, by any remedy provided therefor by the Loan Agreement or by law, any of such rights directly in its own name. Any such pledge and assignment shall be limited to the Authority's rights (x) to receive payments required to be made pursuant to paragraphs (c), (d), (e), (f) and (i) of the provisions of the Loan Agreement summarized above under the caption *"Financial Obligations of the University; General and Unconditional Obligation; Voluntary Payments"*, (y) in any security interest that may be granted by the University pursuant to the second paragraph of the provisions of the Loan Agreement summarized below under the caption *"Management Consultant"* and (z) to enforce all other obligations required to be performed by the University pursuant to the Loan Agreement. Any realization upon any pledge made or security interest that may be granted in accordance with the second paragraph of the provisions of the Loan Agreement summarized below under the caption *"Management Consultant"* shall not, by operation of law or otherwise, result in cancellation or termination of the Loan Agreement or the obligations of the University pursuant thereto.

(Section 10)

Management Consultant

The University shall (i) at the request of the Authority made at any time the rating on any Outstanding Bonds or on any of the University's long term unsecured, unenhanced debt obligations is reduced by a Rating Service to below, in the case of Moody's Investor Service, Inc. (**"Moody's"**), "A1" or, in the case of Fitch, Inc (**"Fitch"**) or Standard & Poor's Rating Services (**"S&P"**), "A+", or (ii) if the rating on any Outstanding Bonds or on any of the University's long term unsecured, unenhanced debt obligations is reduced by a Rating Service to below, in the case of Moody's "A2" or, in the case of Fitch or S&P, "A", or (iii) if any rating is suspended or withdrawn by a Rating Service, engage, at the University's expense, a Management Consultant within sixty (60) days after such request, reduction, suspension or withdrawal, unless the Authority has waived such obligation which it may do in its sole discretion. The Management Consultant shall review the fees and tuition, operations and management of the University and any other matter deemed appropriate by the Authority and make such recommendations with respect to such fees and tuition, operations, management and other matters. Copies of the report and recommendations of the Management Consultant (the **"Report"**) shall be delivered to the Authority, the Trustee, and the University's President and General Counsel no later than one hundred twenty (120) days following the date of engagement of such Management Consultant. The President of the University shall promptly cause the Report to be sent to each member of the University's Board of Trustees and to the members of each committee of the Board of Trustees as shall be determined by the President, on the advice of the General Counsel, shall consider appropriate. The University shall:

(i) not later than (30) days after receipt of the Report by the University's President deliver to the Authority, the Trustee, each member of the Board of Trustees and the members of each committee to which the Report was delivered, a written report setting forth the University's comment and reaction to the Report;

(ii) not later than sixty (60) days after receipt of the Report by the University's President, deliver to the Authority and the Trustee, a plan approved by either the University's Board of Trustees or the Executive Committee of the Board of Trustees setting forth in reasonable detail the following:

(a) the steps the University proposes to take to implement the recommendations contained in the Report;

(b) the timetable on which the University proposes to implement such recommendations; and

(c) with respect to any recommendations that the University does not plan to implement, an explanation of the University's reasons therefor, including any legal or regulatory restrictions or impediments to implementation of any such recommendations, and any business, financial or other factors that in the reasonable judgment of the University affect the feasibility of implementing any such recommendations; and

(iii) within thirty (30) days after the end of each fiscal quarter of the University, deliver a written report to the Authority and the Trustee demonstrating the progress made by the University in implementing the recommendations. The University shall continue to deliver such reports until it gives written notice to the authority and the Trustee that, in the University's reasonable judgment, either (1) the recommendations to have been implemented have been fully implemented or (2) it is no longer feasible to implement any recommendation that has not yet been implemented.

Notwithstanding the foregoing provisions of this section, the University in lieu of engaging a Management Consultant or implementation of the recommendations contained in the Report may elect to provide security in form and substance acceptable to the Authority in its sole discretion for the University's obligations under the Loan Agreement.

(Section 12)

Tax-Exempt Status of the University

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

(Section 13)

Use and Control of Projects; Restrictions on Religious Use

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

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

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

(Sections 17 and 18)

Maintenance, Repair and Replacement.

The University agrees that, throughout the term of the Loan Agreement, it shall, at its own expense, hold, operate and maintain the Projects in a careful, prudent and economical manner, and keep the same, with the appurtenances and every part and parcel thereof, in good repair, working order and safe condition and shall from time to time make all necessary and proper repairs, replacements and renewals so that at all times the operation of the Projects may be properly and advantageously conducted. The University shall have the right to remove or replace any type of fixtures, furnishings and equipment in the Projects which may have been financed by the proceeds of the sale of Bonds provided the University substitutes for any removed or replaced fixtures, furnishings and equipment, additional fixtures, furnishings and equipment having equal or greater value and utility than the fixtures, furnishings and equipment so removed or replaced.

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

(Section 19)

Covenant as to Insurance.

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

(b) The University shall furnish to the Authority annually a report of an Insurance Consultant that the insurance coverage maintained by the University is adequate and in accordance with the standards above.

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

(Section 20)

Reports and Financial Information

The University shall, if and when requested by an Authorized Officer of the Authority, render to the Authority and the Trustee reports with respect to all repairs, replacements and maintenance made to each Project. In addition, the University shall, if and when requested by an Authorized Officer of the Authority, render such other reports concerning the condition of each Project as an Authorized Officer of the Authority may request. The University shall also furnish annually, not later than one hundred sixty-five (165) days after the end of the University's fiscal year, to the Trustee, the Authority and to such other parties as an Authorized Officer of the Authority may reasonably designate, including Rating Services, (i) a certificate stating whether the University is in compliance with the provisions of the Loan Agreement, (ii) copies of its financial statements audited by a nationally recognized independent public accountant selected by the University and acceptable to an Authorized Officer of the Authority and prepared in conformity with generally accepted accounting principles applied on a consistent basis, except that such audited financial statements may contain such changes as are concurred in by such accountants, and (iii) such other statements, reports and schedules describing the finances, operation and management of the University and such other information reasonably required by an Authorized Officer of the Authority.

(Section 23)

Defaults and Remedies

As used in the Loan Agreement the term "Event of Default" shall mean:

(a) the University shall (A) default in the timely payment of any amount payable pursuant to the Loan Agreement (except as described in paragraphs (B) and (C) of this paragraph (a)) or the payment of any other amounts required to be delivered or paid by or on behalf of the University in accordance with the Loan Agreement or the Resolution, and such default continues for a period in excess of seven (7) days or (B) default in the timely payment of any amount payable pursuant to paragraph (c), (d), (e) or (f) of the provision of the Loan Agreement summarized above under the caption *"Financial Obligations of the University; General and Unconditional Obligation; Voluntary Payments"* and such default continues for a period in excess of (1) day or (C) default in the timely payment of any payment pursuant to paragraph (k) of the provision of the Loan Agreement summarized above under the caption *"Financial Obligations of the University; General and Unconditional Obligation; Voluntary Payments"*; or

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

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

(d) the University shall be in default under any agreement entered into with the issuer of or in connection with a Liquidity Facility or a Credit Facility (which default has not been waived or cured) if the University's obligations thereunder are secured by a lien upon, security interest in or pledge of property which is equal or prior to any lien upon, security interest in or pledge of such property given or made pursuant to the Loan Agreement and, upon such default, (A) the principal of any indebtedness thereunder may be declared to be due and payable or (B) the lien security interest or pledge may be foreclosed or realized upon;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

At any time before the entry of a final judgment or decree in any suit, action or proceeding instituted on account of any Event of Default or before the completion of the enforcement of any other remedies under the Loan

Agreement, the Authority may annul any declaration made or action taken pursuant to the Loan Agreement and its consequences if such Events of Default shall be cured. No such annulment shall extend to or affect any subsequent default or impair any right consequent thereto.

(Section 26)

Termination

The Loan Agreement shall remain in full force and effect until no Bonds are Outstanding and until all other payments, expenses and fees payable under the Loan Agreement by the University shall have been made or provision made for the payment thereof; ***provided, however,*** that the liabilities and the obligations of the University to provide reimbursement for or indemnification against expenses, costs or liabilities made or incurred pursuant to the Loan Agreement and the obligations of the University under the Loan Agreement shall nevertheless survive any such termination. Upon such termination, an Authorized Officer of the Authority shall deliver such documents as may be reasonably requested by the University to evidence such termination and the discharge of its duties under the Loan Agreement, and the release or surrender of any security interests granted by the University to the Authority pursuant the Loan Agreement.

(Section 39)

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Appendix D

SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

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SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

The following is a brief summary of certain provisions of the Resolution pertaining to the Series 2009A Bonds and the Project. Such summary does not purport to be complete and reference is made to the Resolution for full and complete statements of such and all provisions. Defined terms used herein shall have the meanings ascribed to them in Appendix A.

Contract with Bondholders

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

(Section 1.03)

Refunding Bonds and Additional Obligations

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

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

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

(Sections 2.04 and 2.05)

Pledge of Revenues

The proceeds from the sale of the Bonds, the Revenues, and all funds and accounts established by the Resolution and any Series Resolution, excluding the Arbitrage Rebate Fund and any fund established for the payment of the purchase price of Option Bonds tendered for purchase, are pledged and assigned to the Trustee as security for the payment of the principal and Redemption Price of and interest on the Bonds and as security for the performance of any other obligation of the Authority under the Resolution and any Series Resolution, all in accordance with the provisions of the Resolution and any Series Resolution. The pledge of the Revenues and the assignment of the Authority's security interest therein shall also be for the benefit of each Provider as security for the payment of any amounts payable to such Provider under the Resolution; *provided, however*, that such pledge and assignment shall, in all respects, be subject and subordinate to the rights and interest therein of the Bondholders. The pledge made by the Resolution is valid, binding and perfected from the time when the pledge attaches and the proceeds from the sale of the Bonds, the Revenues and the funds and accounts established by the Resolution and any Series Resolution which are pledged thereby shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of such pledge shall be valid, binding and perfected as against all parties having claims of any kind in tort, contract or otherwise against the Authority irrespective of whether such parties have notice thereof. No instrument by which such pledge is created nor any financing statement need be recorded or filed. The Bonds shall be special obligations of the Authority payable solely from and secured by a pledge of the proceeds from the sale of the Bonds, the Revenues and the funds and accounts established by the Resolution and are pledged thereby, which pledge shall constitute a first lien thereon.

(Section 5.01)

Tax Exemption; Rebates

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

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

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

(Section 5.01, Series 2009A Resolution)

Establishment of Funds and Accounts

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

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

In addition to the accounts and subaccounts, if any, required to be established by the Resolution or by any Series Resolution or any Bond Series Resolution, the Authority may for purposes of internal accounting establish such other accounts or subaccounts as the Authority or the Trustee deems proper, necessary or desirable. All money at any time deposited in any fund, account or subaccount created and pledged by the Resolution or by any Series Resolution or required thereby to be created shall be held in trust for the benefit of the Holders of Bonds, but shall nevertheless be disbursed, allocated and applied solely for the uses and purposes provided in the Resolution; *provided, however*, that the proceeds derived from the remarketing of Option Bonds tendered or deemed to have been tendered for purchase in accordance with the Series Resolution authorizing the issuance of such Bonds or the Bond Series Certificate relating to such Bonds or derived from a Liquidity Facility relating to such Bonds, and any fund or account established by or pursuant to such Series Resolution for the payment of the purchase price of Option Bonds so tendered or deemed to have been tendered, shall not be held in trust for the benefit of the Holders of the Bonds other than such Option Bonds and are pledged by the Resolution for the payment of the purchase price of such Option Bonds.

(Section 5.02)

Application of Bond Proceeds and Allocation Thereof

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

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

(Section 5.03)

Application of Money in the Construction Fund

As soon as practicable after the delivery of each Series of Bonds, there shall be deposited in the Construction Fund the amount required to be deposited therein pursuant to the Series Resolution authorizing the issuance of such Series or the Bond Series Certificate relating to such Series. Except as otherwise provided in the Resolution and in any applicable Series Resolution or Bond Series Certificate, money deposited in the Construction Fund shall be used only to pay the Costs of Issuance and the Costs of the Projects.

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

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

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

(Section 5.04)

Deposit and Allocation of Revenues

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

First: To the Debt Service Fund (i) in the case of Revenues received during the period from the beginning of each Bond Year until December 31 thereof, the amount, if any, necessary to make the amount in the Debt Service Fund equal to (a) the interest on Outstanding Bonds payable on or prior to the next succeeding January 1, including the interest estimated by the Authority to be payable on any Variable Interest Rate Bond on and prior to the next succeeding January 1, assuming that such Variable Interest Rate Bond will bear interest, from and after the next date on which the rate at which such Variable Interest Rate Bond bears interest is to be adjusted, at a rate per annum equal to the rate per annum at which such Bonds then bear interest, plus one percent (1%) per annum, (b) the Sinking Fund Installments of Outstanding Option Bonds and Variable Interest Rate Bonds payable on or prior to the next succeeding January 1 and (c) the purchase price or Redemption Price of Outstanding Bonds theretofore contracted to be purchased or called for redemption pursuant to the Resolution on or prior to the next succeeding January 1, plus accrued interest thereon to the date of purchase or redemption; and (ii) in the case of Revenues received thereafter and until the end of such Bond Year, the amount, if any, necessary to make the amount in the Debt Service Fund equal to (a) the interest on and the principal and Sinking Fund Installments of Outstanding Bonds payable on and prior to the next succeeding July 1, including the interest estimated by the Authority to be payable on any Variable Interest Rate Bond on and prior to the next succeeding July 1, assuming that such Variable Interest Rate Bond will bear interest, from and after the next date on which the rate at which such Variable Interest Rate Bond bears interest is to be adjusted, at a rate per annum equal to the rate per annum at which such Bonds then bear interest, plus one percent (1%) per annum and (b) the purchase price or Redemption Price of Outstanding Bonds theretofore contracted to be purchased or called for redemption pursuant to the Resolution on or prior to the next succeeding July 1, plus accrued interest thereon to the date of purchase or redemption;

Second: To reimburse, pro rata, each Provider for Provider Payments which are then unpaid, in proportion to the respective Provider Payments then unpaid to each Provider; and

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

Fourth: To the Authority, unless otherwise paid, such amounts as are payable to the Authority for: (i) any expenditures of the Authority for fees and expenses of auditing, and fees and expenses of the Trustee and Paying Agents, all as required by the Resolution, (ii) all other expenditures reasonably and necessarily incurred by the

Authority in connection with the financing of the Projects, including expenses incurred by the Authority to compel full and punctual performance of all the provisions of the Loan Agreement in accordance with the terms thereof, and (iii) any fees of the Authority; but only upon receipt by the Trustee of a certificate signed by an Authorized Officer of the Authority, stating in reasonable detail the amounts payable to the Authority pursuant to this paragraph Fourth.

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

(Section 5.05)

Debt Service Fund

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

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

(b) the principal amount due and payable on such interest payment date on all Outstanding Bonds; and

(c) the Sinking Fund Installments or other amounts related to a mandatory redemption, if any, due and payable on all Outstanding Bonds on such interest payment date.

The amounts paid out pursuant to this subdivision shall be irrevocably pledged to and applied to such payments.

Notwithstanding the first paragraph of this subdivision, the Authority may, at any time subsequent to July 1 of any Bond Year but in no event less than forty-five (45) days prior to the succeeding date on which a Sinking Fund Installment is scheduled to be due, direct the Trustee to purchase, with money on deposit in the Debt Service Fund, at a price not in excess of par plus interest accrued and unpaid to the date of such purchase, Term Bonds to be redeemed from such Sinking Fund Installment. Any Term Bond so purchased and any Term Bond purchased by the University and delivered to the Trustee in accordance with the Loan Agreement shall be canceled upon receipt thereof by the Trustee and evidence of such cancellation shall be given to the Authority. The principal amount of each Term Bond so canceled shall be credited against the Sinking Fund Installment due on such date; *provided, however*, that such Term Bond is canceled by the Trustee prior to the date on which notice of redemption is given.

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

(Section 5.06)

Arbitrage Rebate Fund

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

Money on deposit in the Arbitrage Rebate Fund shall be applied by the Trustee in accordance with the direction of an Authorized Officer of the Authority to make payments to the Department of the Treasury of the United States of America at such times and in such amounts as the Authority shall determine to be required by the Code to be rebated to the Department of the Treasury of the United States of America. Money which an Authorized Officer of the Authority determines to be in excess of the amount required to be so rebated shall, first, be applied to reimburse pro rata, each Provider for money advanced under a Credit Facility or a Liquidity Facility, including interest thereon, which is then unpaid in proportion to the respective amounts advanced by each Provider, and, then be deposited to any fund or account established under the Resolution in accordance with the directions of such Authorized Officer.

(Section 5.07)

Application of Money in Certain Funds for Retirement of Bonds

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

(Section 5.08)

Investment of Funds and Accounts

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

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

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

Notwithstanding anything to the contrary in the Resolution, the Authority, in its discretion, may direct the Trustee to, and the Trustee shall, sell, present for redemption or exchange any investment held by the Trustee pursuant to the Resolution and the proceeds thereof may be reinvested as provided in this section. Except as otherwise provided in the Resolution, the Trustee shall sell at the best price obtainable, or present for redemption or exchange, any investment held by it pursuant to the Resolution whenever it shall be necessary in order to provide money to meet any payment or transfer from the fund or account in which such investment is held. The Trustee shall advise the Authority and the University on or before the fifteenth (15th) day of each calendar month, of the amounts required to be on deposit in each fund and account under the Resolution and of the details of all investments held for the credit of each fund and account in its custody under the provisions of the Resolution as of the end of the preceding month and as to whether such investments comply with the provisions of the Resolution. The details of such investments shall include the par value, if any, the cost and the current market value of such investments as of the end of the preceding month. The Trustee shall also describe all withdrawals, substitutions and other transactions occurring in each such fund and account in the previous month.

(Section 6.02)

Creation of Liens

Except as permitted by the Resolution, the Authority shall not create, cause to be created or suffer or permit the creation of any lien or charge prior or equal to that of the Bonds on the proceeds from the sale of the Bonds, the Revenues, the rights of the Authority to receive payments to be made under the Loan Agreement that are to be deposited with the Trustee or the funds and accounts established by the Resolution or by any Series Resolution which are pledged thereby; *provided, however*, that nothing contained in the Resolution shall prevent the Authority from (i) issuing bonds, notes or other obligations or otherwise incurred indebtedness under another and separate resolution so long as the charge or lien created thereby is not prior to the charge or lien created by the Resolution, and (ii) incurring obligations with respect to a Credit Facility or a Liquidity Facility which are secured by a lien upon and pledge of the Revenues of equal priority with the lien created and the pledge made by the Resolution.

(Section 7.06)

Amendment of Loan Agreement

Except as expressly otherwise provided in this Section 7.11, the Loan Agreement may not be amended, changed, modified, altered or terminated nor may any provision thereof be waived if any such amendment, change, modification, alteration, termination or waiver would adversely affect the interest of the Holders of Outstanding Bonds in any material respect unless consented to in writing by (a) the Holders of at least a majority in aggregate principal amount of the Bonds then Outstanding, or (b) in case less than all of the several Series of Bonds then Outstanding are affected by the modifications or amendments, the Holders of not less than a majority in aggregate principal amount of the Bonds of each Series so affected then Outstanding; ***provided, however,*** that if such amendment, change, modification, alteration, termination or waiver will, by its terms, not take effect so long as any Bonds of any specified Series remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section; ***provided, further,*** that no such amendment, change, modification, alteration, termination will reduce the percentage of the aggregate principal amount of Outstanding Bonds the consent of the Holders of which is a requirement for any such amendment, change, modification, alteration or termination, or decrease the amount of any payment required to be made by the University under the Loan Agreement that is to be deposited with the Trustee or extend the time of payment thereof. Any consent given pursuant to this paragraph by the Holders of Bonds shall, except as otherwise provided in this Section, be given in the same manner required by the Resolution.

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

For the purposes of this Section, the purchasers of Bonds, whether purchasing as underwriters, Remarketing Agent or otherwise for resale, may upon such purchase consent to an amendment, change, modification, alteration, termination or waiver permitted by this Section in the manner provided in the Resolution, except that no proof of ownership shall be required, and with the same effect as a consent given by the Holder of such Bonds; ***provided, however,*** that, if such consent is given by a purchaser who is purchasing as an underwriter or Remarketing Agent or for resale, the nature of the amendment, change, modification, alteration, termination or waiver and the provisions for the purchaser consenting thereto shall be described in the official statement, prospectus, offering memorandum or other offering document prepared in connection with the initial offering, reoffering or resale of the Bonds of such Series. In addition, the Holder of an Outstanding Auction Rate Bond shall be deemed to have consented to an amendment, change, modification, alteration or termination permitted by this Section if (i) the Trustee has mailed notice of such proposed amendment to the Holder of such Bonds in the same manner required by Article X of the Resolution for an amendment to the Resolution, (ii) on the first Auction Date for such Bond occurring at least twenty (20) days after the date on which the aforementioned notice is given by the Trustee the interest rate determined on such date is the Winning Bid Rate and (iii) there is delivered to the Authority and the Trustee an opinion of Bond Counsel to the effect that such amendment shall not adversely affect the validity of such Auction Rate Bond or any exemption from federal income tax to which the interest on such Auction Rate Bond would otherwise be entitled. As used in this paragraph the following terms shall have the respective meanings: **"Auction Rate Bond"** means a Variable Interest Rate Bond that is not an Option Bond, and that bears interest at rates determined by periodic auctions in accordance with procedures therefore established by the Series Resolution authorizing such Bond or the Bond Series Certificate related thereto; **"Auction Date"** means, with respect to particular any Auction Rate Bond, the date on which an auction is held or required to be held for such Bond in accordance with the procedures established therefore; and **"Winning Bid Rate"** when used with respect to an auction held for any particular Auction Rate Bond, shall have the meaning given to such term in the Series Resolution authorizing such Auction Rate Bond or the Bond Series Certificate related thereto, or, if not otherwise defined, means the lowest rate specified in any purchase bid submitted in such auction, which, if selected, would cause the aggregate principal amount of Auction Bonds offered to be sold in such auction to be subject to purchase bids at rates no greater than the rate specified in such purchase bid.

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

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

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

(Section 7.11)

Modification and Amendment Without Consent

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

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

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

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

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

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

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

(g) To modify or amend a Project; or

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

(Section 9.01)

Supplemental Resolutions Effective With Consent of Bondholders

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

(Section 9.02)

Powers of Amendment

Any modification or amendment of the Resolution and of the rights and obligations of the Authority and of the Holders of the Bonds under the Resolution, in any particular, may be made by a Supplemental Resolution, with the written consent given as set forth in the provision of the Resolution summarized below under the caption *"Consent of Bondholders"*, (i) of the Holders of at least a majority in principal amount of the Bonds Outstanding at the time such consent is given, or (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of Holders of at least a majority in principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given, or (iii) in case the modification or amendment changes the amount or date of any Sinking Fund Installment, of the Holders of at least a majority in principal amount of the Bonds of the particular Series, maturity and interest rate entitled to such Sinking Fund Installment Outstanding at the time such consent is given; *provided, however*, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series, maturity and tenor remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this section. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof, or in the rate of interest thereon without the consent of the Holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment. For the purposes of this section, a Series shall be deemed to be affected by a modification or amendment if the same adversely affects or diminishes the rights of the Holders of Bonds of such Series in any material respect. The Trustee may in its discretion determine whether or not, in accordance with the foregoing provisions, the Bonds of any particular Series or maturity would be affected by any modification or amendment of the Resolution and any such determination shall be binding and conclusive on the Authority and all Holders of Bonds. The Trustee may receive an opinion of counsel, including an opinion of Bond Counsel, as conclusive evidence as to whether Bonds of any particular Series or maturity would be so affected by any such modification or amendment of the Resolution.

(Section 10.01)

Consent of Bondholders

The Authority may at any time adopt a Supplemental Resolution making a modification or amendment permitted by the provisions of the Resolution to take effect when and as provided in the Resolution. A copy of such Supplemental Resolution (or brief summary thereof or reference thereto in form approved by the Trustee) together with a request to the Holders for their consent thereto in form satisfactory to the Trustee, shall promptly after adoption to be mailed by the Authority to the Holders (but failure to mail such copy and request will not affect the validity of the Supplemental Resolution when consented to as provided below). Such Supplemental Resolution shall not be effective unless and until (i) there shall been filed with the Trustee (a) the written consents of Holders of the percentages of Outstanding Bonds specified in the provision of the Resolution summarized above under the caption *"Powers of Amendment"* and (b) an opinion of Bond Counsel stating that such Supplemental Resolution has been duly and lawfully adopted and filed by the Authority in accordance with the provisions of the Resolution, is authorized or permitted thereby, and is valid and binding upon the Authority and enforceable in accordance with its terms, and (ii) a notice shall have been mailed as provided in this section. Each such consent shall be effective only if accompanied by proof of the holding or owning at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by the Resolution. A certificate or certificates by the Trustee filed with the Trustee that it has examined such proof and that such proof is sufficient in accordance with the Resolution shall be conclusive that the consents have been given by the Holders described in such certificate or certificates of the Trustee. Any consent shall be binding upon the Holder of the Bonds giving such consent and, anything in the Resolution to the contrary notwithstanding, upon any subsequent Holder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by the Holder of such Bonds giving such consent or a subsequent Holder thereof by filing with the Trustee, prior to the time when the written statement of the Trustee provided for below is filed, such revocation. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee filed with the Trustee to the effect that no revocation thereof is on file with the Trustee. At any time after the Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Resolution, the Trustee shall make and file with the Authority and the Trustee a written statement that the Holders of such required percentages of Bonds have filed such consents. Such written statement shall be conclusive that such consents have been so filed. At any time thereafter notice, stating in substance that the Supplemental Resolution (which may be referred to as a Supplemental Resolution adopted by the Authority on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of Bonds and will be effective as provided in this section, shall be given to the Bondholders by the Authority by mailing such notice to the Bondholders and, at the discretion of the Authority, by publishing the same at least once not more than ninety (90) days after the Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Resolution and the written statement of the Trustee in the Resolution provided for is filed (but failure to publish such notice shall not prevent such Supplemental Resolution from becoming effective and binding as in this paragraph provided). Such Supplemental Resolution making such amendment or modification shall be deemed conclusively binding upon the Authority, the Trustee, each Paying Agent and the Holders of all Bonds upon the filing with the Trustee of proof of the mailing of such notice or at the expiration of thirty (30) days after the filing with the Trustee of the proof of the first publication of such last mentioned notice, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Resolution in a legal action or equitable proceeding for such purpose commenced within such thirty (30) day period; *provided, however*, that the Authority, the Trustee and any Paying Agent during such thirty (30) day period and any such further period during which any such action or proceeding may be pending shall be entitled in their reasonable discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Resolution as they may deem expedient.

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

(Section 10.02)

Modifications by Unanimous Consent

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

(Section 10.03)

Events of Default

Each of the following constitutes an “event of default” under the Resolution and each Series Resolution if:

(a) Payment of the principal, Sinking Fund Installment or Redemption Price of or interest on any Bond shall not be made when the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise; or

(b) The Authority shall default in the due and punctual performance of any covenants contained in the Series Resolution authorizing the issuance thereof, and, as a result thereof, the interest on the Bonds of a Series shall no longer be excludable from gross income under Section 103 of the Code; or

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

(d) The Authority shall have notified the Trustee that an “Event of Default”, as defined in the Loan Agreement shall have occurred and is continuing and all sums payable by the University under the Loan Agreement shall have been declared to be immediately due and payable, which declaration shall not have been annulled and the Authority shall have notified the Trustee of such “Event of Default.”

(Section 11.02)

Acceleration of Maturity

Upon the happening and continuance of any event of default (other than under paragraph (b) of the provision of the Resolution summarized above under the caption *“Event of Default”*), then and in every such case the Trustee may, and upon the written request of the Holders of not less than twenty-five percent (25%) in principal amount of the Outstanding Bonds shall, by a notice in writing to the Authority, declare the principal of and interest on all of the Outstanding Bonds to be immediately due and payable. At the expiration of thirty (30) days from the giving of notice of such declaration, such principal and interest shall become and be immediately due and payable, anything in the Resolution or in the Bonds or any Series Resolution to the contrary notwithstanding. At any time after the principal of the Bonds shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under the Resolution, the Trustee shall, with the written consent of the Holders of not less than twenty-five percent (25%) in principal amount of the Bonds not then due by their terms and then Outstanding, by written notice to the Authority, annul such declaration and its consequences if: (i) money shall have accumulated in the Debt Service Fund sufficient to pay all arrears of interest, if any, upon all of the Outstanding Bonds (except the interest accrued on such Bonds since the last interest payment date); (ii) money shall have accumulated and be available sufficient to pay the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee and any Paying Agent; (iii) all other amounts then payable by the Authority under the Resolution and under each Series Resolution (other than principal amounts payable only because of a declaration and acceleration under this section) shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee; and (iv) every other default known to the Trustee in the observance or performance of any covenant, condition or agreement contained in the Resolution, the Series Resolution or in the Bonds (other than a default in the payment of the principal of such Bonds then due only because of a declaration under this section) shall have been remedied to the satisfaction of the Trustee. No such annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

(Section 11.03)

Enforcement of Remedies

Upon the happening and continuance of any event of default, then and in every such case, the Trustee may proceed, and, upon the written request of the Holders of not less than twenty-five percent (25%) in principal amount of the Outstanding Bonds or, in the case of the happening and continuance of an Event of Default described in paragraph (b) of the provision of the Resolution summarized above under the caption *"Event of Default"*, upon the written request of the Holders of not less than twenty-five percent (25%) in principal amount of the Outstanding Bonds of the Series affected thereby, shall proceed (subject to the provisions of the Resolution regarding indemnification of the Trustee), to protect and enforce its rights and the rights of the Holders of the Bonds under the laws of the State or under the Resolution or under any Series Resolution by such suits, actions or special proceedings in equity or at law, either for the specific performance of any covenant contained under the Resolution or any Series Resolution or in aid or execution of any power therein granted, or for an accounting against the Authority as if the Authority were the trustee of an express trust, or for the enforcement of any proper legal or equitable remedy as the Trustee shall deem most effectual to protect and enforce such rights.

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

(Section 11.04)

Priority of Payments After Default

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

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

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

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

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

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

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

(Section 11.05)

Termination of Proceedings

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

(Section 11.06)

Bondholders' Direction of Proceedings

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

(Section 11.07)

Limitation of Rights of Individual Bondholders

No Holder of any of the Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust under the Resolution, or for any other remedy under the Resolution unless such Holder previously shall have given to the Trustee written notice of the event of default on account of which such suit, action or proceeding is to be instituted, and unless also the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds, or, in the case of an event of default under paragraph (b) of the provision of the Resolution summarized above under the caption *"Event of Default"*, the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of the Series affected thereby, shall have made written request to the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted by the Resolution or to institute such action, suit or proceeding in its or their name, and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses, and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time. Such notification, request and offer of indemnity are declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of the Resolution or for any other remedy under the Resolution and in equity or at law. It is understood and intended that no one or more Holders of the Bonds secured by the Resolution shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the Resolution or to enforce any right under the Resolution except in the manner provided in the Resolution, and that all proceedings at law or in equity shall be instituted and maintained for the benefit of all Holders of the Outstanding Bonds. Notwithstanding any other provision of the Resolution, the Holder of any Bond shall have the right which is absolute and unconditional to receive payment of the principal of (and premium, if any) and interest on such Bond on the stated maturity expressed in such Bond (or, in the case of redemption, on the redemption date) and to institute suit for the enforcement of any such payment, and such right shall not be impaired without the consent of such Holder.

(Section 11.08)

Defeasance

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

Bonds for the payment or redemption of which money shall have been set aside and shall be held in trust by the Trustee (through deposit of money for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in the preceding paragraph. All Outstanding Bonds of any Series or any maturity within a Series or a portion of a maturity within a Series shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in the preceding paragraph if (a) in case any of such Bonds are to be redeemed on any date prior to their maturity, the Authority shall have given to the Trustee, in form satisfactory to it, irrevocable instructions to give as provided in the Resolution notice of redemption on said date of such Bonds, (b) there shall have been deposited with the Trustee either money in an amount which shall be sufficient, or Defeasance Securities the principal of and interest on which when due will provide money which, together with the money, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest due and to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, (c) the Trustee shall have received the written consent to such defeasance of each Provider which has given written notice to the Trustee and the Authority that amounts advanced under a Credit Facility or Liquidity Facility issued by it or the interest thereon have not been repaid to such Provider, and (d) in the event such Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Authority shall have given the Trustee, in form satisfactory to it, irrevocable instructions to give, as soon as practicable, by first class mail, postage prepaid, to the Holders of said Bonds at their last known addresses appearing on the registration books, and, if directed by an Authorized Officer of the Authority, by publication, at least twice, at an interval of not less than seven (7) days between publications, in an Authorized Newspaper, a notice to the Holders of such Bonds that the deposit required by (b) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this section and stating such maturity or redemption date upon which money is to be available for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on such Bonds. The Trustee shall select the Bonds of like Series and maturity payment of which shall be made in accordance with this section in the manner provided in the Resolution. Neither the Defeasance Securities nor money deposited with the Trustee pursuant to this section nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on such Bonds; *provided, however*, that any money received from such principal or interest payments on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Defeasance Securities maturing at times and in amounts sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest to become due on such Bonds on and prior to such redemption date or maturity date thereof, as the case may be; *provided further*, that money and Defeasance Securities may be withdrawn and used by the Authority for any purpose upon (i) the simultaneous substitution therefor of either money in an amount which shall be sufficient, or Defeasance Securities the principal of and interest on which when due will provide money which without regard to reinvestment, together with the money, if any, held by or deposited with the Trustee at the same time, shall be sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest due and to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (ii) receipt by the Trustee of a letter or other written report of a firm of independent certified public accountants verifying the accuracy of the arithmetical computations which establish the adequacy of such money and Defeasance Securities for such purpose. Any income or interest earned by, or increment to, the investment of any such money so deposited, shall, to the extent certified by the Trustee to be in excess of the amounts required by the Resolution to pay the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on such Bonds, as realized, be paid by the Trustee as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of an Authorized Officer of the Authority; second, to each Provider, the Provider Payments which have not been repaid, pro rata, based upon the respective Provider Payments then unpaid to each Provider; third, to the Authority the amount certified by an Authorized Officer of the Authority to be then due or past due pursuant to the Loan Agreement for fees and expenses of the Authority or pursuant to any indemnity; and, then, the balance thereof to the University, and any such money so paid by the Trustee shall be released of any trust, pledge, lien, encumbrance or security interest created by the Resolution or by the Loan Agreement.

For purposes of determining whether Variable Interest Rate Bonds shall be deemed to have been paid prior to the maturity or redemption date thereof, as the case may be, by the deposit of money, or Defeasance Securities and money, if any, in accordance with clause (b) of the preceding paragraph, the interest to come due on such Variable Interest Rate Bonds on or prior to the maturity date or redemption date thereof, as the case may be, shall be calculated at the Maximum Interest Rate permitted by the terms thereof; *provided, however*, that if on any date, as a result of such Variable Interest Rate Bonds having borne interest at less than such Maximum Interest Rate for any period, the total amount of money and Defeasance Securities on deposit with the Trustee for the payment of interest on such Variable Interest Rate Bonds is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of such Variable Interest Rate Bonds in order to satisfy clause (b) of the preceding paragraph, the Trustee shall pay the amount of such excess as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of an Authorized Officer of the Authority; second, to each Provider, the Provider Payments which have not been repaid, pro rata, based upon the respective Provider Payments then unpaid to each Provider; third, to the Authority the amount certified by an Authorized Officer of the Authority to be then due or past due pursuant to the Loan Agreement for fees and expenses of the Authority or pursuant to any indemnity; and, then, the balance thereof to the University, and any such money so paid by the Trustee shall be released of any trust, pledge, lien, encumbrance or security interest created by the Resolution.

Option Bonds shall be deemed to have been paid in accordance with the second paragraph of this section only if, in addition to satisfying the requirements of clauses (a) and (b) above, there shall have been deposited with the Trustee money in an amount which shall be sufficient to pay when due the maximum amount of principal of and premium, if any, and interest on such Bonds which could become payable to the Holders of such Bonds upon the exercise of any options provided to the Holders of such Bonds; *provided, however*, that if, at the time a deposit is made with the Trustee pursuant to the second paragraph of this section, the options originally exercisable by the Holder of an Option Bond are no longer exercisable, such Bond shall not be considered an Option Bond for purposes of this paragraph. If any portion of the money deposited with the Trustee for the payment of the principal of and premium, if any, and interest on Option Bonds is not required for such purpose, the Trustee shall, if requested by the Authority, pay the amount of such excess as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of an Authorized Officer of the Authority; second, to each Provider, the Provider Payments which have not been repaid, pro rata, based upon the respective Provider Payments then unpaid to each Provider; third, to the Authority the amount certified by an Authorized Officer of the Authority to be then due or past due pursuant to the Loan Agreement for fees and expenses of the Authority or pursuant to any indemnity; and, then, the balance thereof to the University, and any such money so paid by the Trustee shall be released of any trust, pledge, lien, encumbrance or security interest created by the Resolution.

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

(Section 12.01)

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Appendix E

FORM OF APPROVING OPINION OF BOND COUNSEL

[Date of Issuance]

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

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of $402,380,000 aggregate principal amount of New York University Revenue Bonds, Series 2009A (the "Series 2009A Bonds"), by the Dormitory Authority of the State of New York (the "Authority"), a body corporate and politic constituting a public benefit corporation of the State of New York, including the Dormitory Authority Act, being Title 4 of Article 8 of the Public Authorities Law of the State of New York, as amended to the date hereof, including, without limitation, by the Healthcare Financing Consolidation Act, being Title 4-B of the Public Authorities Law of the State of New York, as amended to the date hereof (the "Act"). We have also examined such certificates, documents, records and matters of law as we have deemed necessary for the purpose of rendering the opinions hereinafter set forth.

The Series 2009A Bonds are issued under and pursuant to the Act, the New York University Revenue Bond Resolution of the Authority, adopted on May 28, 2008 (the "Resolution"), the Series 2009A Resolution Authorizing the Issuance of a Series of New York University Revenue Bonds, adopted on October 28, 2009 (the "Series 2009A Resolution") and the Bond Series Certificate, dated as of ______, 2009, executed by the Authority and relating to the Series 2009A Bonds (the "Bond Series Certificate"). Said resolutions and Bond Series Certificate are herein collectively referred to as the "Resolutions." Unless otherwise defined herein, capitalized terms used herein have the respective meanings given to them in the Resolutions.

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

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

The Series 2009A Bonds are dated their date of delivery and will bear interest at the rates and mature on July 1 of each of the years and in the principal amounts set forth below.

Appendix E

Year	Principal Amount	Interest Rate	Year	Principal Amount	Interest Rate
2015	$ 8,715,000	4.00%	2024	$ 4,575,000	5.00%
2016	9,065,000	5.00	2025	8,385,000	4.00
2017	9,520,000	3.10	2025	3,010,000	5.00
2018	9,815,000	4.00	2026	10,555,000	5.25
2019	10,205,000	5.00	2027	14,210,000	5.25
2020	3,540,000	4.00	2028	14,960,000	5.25
2020	7,175,000	5.00	2029	15,745,000	4.30
2021	11,215,000	5.00	2029	2,635,000	5.25
2022	2,235,000	4.00	2034	96,710,000	5.25
2022	9,545,000	5.00	2039	5,250,000	4.75
2023	12,345,000	5.00	2039	119,035,000	5.00
2024	4,575,000	4.00			

The Series 2009A Bonds are issuable in the form of fully registered Bonds in denominations of $5,000 or any integral multiples thereof and are numbered consecutively from one upward in order of issuance.

The Series 2009A Bonds are subject to redemption prior to maturity and mandatory tender for purchase as provided in the Resolutions.

The Series 2009A Bonds are being issued to finance loans by the Authority to New York University (the “University”). The Authority and the University have entered into a Loan Agreement, dated as of May 28, 2008, by and between the Authority and the University (the “Loan Agreement”), by which the University is required to make payments sufficient to pay the principal and Redemption Price of and interest on Outstanding Bonds, including the Series 2009A Bonds, as well as the Authority’s annual administrative expenditures and costs. All amounts payable under the Loan Agreement which are required to be paid to the Trustee under the Resolution for payment of the principal or Redemption Price of or interest on the Bonds have been pledged by the Authority for the benefit of the Holders of Outstanding Bonds including the Series 2009A Bonds.

We are of the opinion that:

1. The Authority is a body corporate and politic constituting a public benefit corporation of the State of New York, with the right and lawful authority and power to adopt the Resolutions and to issue the Series 2009A Bonds thereunder.

2. The Series Resolutions have been duly adopted by the Authority in accordance with the provisions of the Resolution and is authorized and permitted by the Resolution. The Resolution and the Series 2009A Resolution have been duly and lawfully adopted by the Authority, are in full force and effect and are legal, valid and binding obligations of the Authority enforceable in accordance with their respective terms.

3. The Series 2009A Bonds have been duly and validly authorized and issued in accordance with the Constitution and statutes of the State of New York, including the Act, and in accordance with the Resolutions. The Series 2009A Bonds are legal, valid and binding special obligations of the Authority payable as provided in the Resolutions, are enforceable in accordance with their terms and the terms of the Resolutions and are entitled to the benefits of the Resolution and the Act.

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

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

requirements could cause the interest on the Series 2009A Bonds to be included in gross income retroactive to the date of issue of the Series 2009A Bonds. The Authority has covenanted in the Series 2009A Resolution and the Tax Certificate as to Arbitrage and the Provisions of Section 141–150 of the Internal Revenue Code (the "Tax Certificate") and the University has covenanted in the Loan Agreement and the Tax Certificate to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Series 2009A Bonds from gross income for federal income tax purposes pursuant to Section 103(a) of the Code. In addition, the Authority and the University have made certain representations and certifications in the Tax Certificate. We have also relied on the opinion of counsel to the University as to all matters concerning the status of the University as an organization described in Section 501(c)(3) of the Code and exempt from federal income tax under Section 501(a) of the Code. We have not independently verified the accuracy of those certifications and representations or that opinion.

Under existing law and assuming compliance with the tax covenants described above, and the accuracy or the certain representations and certifications made by the Authority and the University described above, interest on the Series 2009A 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. Moreover, interest on the Series 2009A Bonds is excluded from adjusted current earnings of corporations for purposes of computing the alternative minimum tax imposed on corporations.

We are further of the opinion that the difference between the principal amount of the Bonds maturing on July 1, 2017, July 1, 2024 and bearing interest at 4.00%, July 1, 2025 and bearing interest at 4.00%, July 1, 2029 and bearing interest at 4.30%, and July 1, 2039 and bearing interest at 4.75% (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. The Trust is trying to do a coordinated review as lead agency.

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

We have examined an executed Series 2009A Bond and, in our opinion, the form of said Bond and its execution are regular and proper.

The opinions contained in paragraphs 2, 3 and 4 above are qualified to the extent that the enforceability of the Resolutions, the Loan Agreement and the Series 2009A Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally or as to the availability of any particular remedy. Except as stated in paragraphs 5 and 6 above, we express no opinion as to any other federal or state tax consequences of the ownership or disposition of the Series 2009A Bonds. Furthermore, we express no opinion as to any federal, state or local tax law consequences with respect to the Series 2009A Bonds, or the interest thereon, if any action is taken with respect to Series 2009A Bonds or the proceeds thereof upon the advice or approval of other counsel.

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

Very truly yours,

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