

SUPPLEMENT DATED APRIL 21, 2014

RELATING TO

OFFICIAL STATEMENT DATED APRIL 3, 2014

MONROE COUNTY INDUSTRIAL DEVELOPMENT CORPORATION

\$31,615,000

**TAX-EXEMPT REVENUE REFUNDING BONDS
(MONROE COMMUNITY COLLEGE ASSOCIATION,
INC. PROJECT), SERIES 2014A**

\$2,720,000

**TAXABLE REVENUE BONDS
(MONROE COMMUNITY COLLEGE ASSOCIATION,
INC. PROJECT), SERIES 2014B**

The definition of “Regular Record Date” on page C-9 of “Appendix C – Certain Definitions” to the Official Statement is hereby replaced in its entirety with the following:

“Regular Record Date” means, with respect to any Bond Payment Date, the first (1st) day (whether or not a Business Day) of the calendar month of such Bond Payment Date.

NEW ISSUE

RATING: (see "Rating" herein)

In the opinion of Harris Beach PLLC, Bond Counsel to the Issuer, based on existing statutes, regulations, court decisions and administrative rulings, and assuming compliance with the tax covenants described herein, interest on the Series 2014A 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"). Furthermore, Bond Counsel is of the opinion that interest on the Series 2014A Bonds is not an "item of tax preference" for purposes of the federal alternative minimum tax imposed on individuals and corporations. Interest on the Series 2014A Bonds is, however, included in the computation of "adjusted current earnings" for purposes of calculating the federal alternative minimum tax imposed on certain corporations. Bond Counsel is further of the opinion that, based on existing law, interest on the Series 2014A Bonds is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof. Interest on the Series 2014B Bonds is included in gross income for federal income tax purposes and is subject to personal income taxes imposed by the State of New York and any political subdivision thereof. See "TAX MATTERS" herein regarding certain other tax considerations.

MONROE COUNTY INDUSTRIAL DEVELOPMENT CORPORATION

\$31,615,000

**TAX-EXEMPT REVENUE REFUNDING BONDS
(MONROE COMMUNITY COLLEGE ASSOCIATION,
INC. PROJECT), SERIES 2014A**

\$2,720,000

**TAXABLE REVENUE BONDS
(MONROE COMMUNITY COLLEGE ASSOCIATION,
INC. PROJECT), SERIES 2014B**

Dated: Date of Delivery

Due: January 15, as shown on inside cover

The Monroe County Industrial Development Corporation Tax-Exempt Revenue Refunding Bonds (Monroe Community College Association, Inc. Project), Series 2014A (the "Series 2014A Bonds") and Taxable Revenue Bonds (Monroe Community College Association, Inc. Project), Series 2014B (the "Series 2014B Bonds," and with the Series 2014A Bonds, the "Series 2014 Bonds") will be issued pursuant to an Indenture of Trust, dated as of April 1, 2014 (the "Indenture"), by and between the Monroe County Industrial Development Corporation (the "Issuer") and The Bank of New York Mellon, as trustee (the "Trustee") and are payable from and secured by (i) a pledge of certain payments to be made under a Loan Agreement, dated as of April 1, 2014 (the "Loan Agreement") by and between the Issuer and Monroe Community College Association, Inc., (the "Institution"), (ii) a security interest in and lien on the Pledged Revenues (as hereinafter defined) pursuant to a certain Pledge and Security Agreement, dated as of April 1, 2014, by and between the Institution and the Trustee (the "Pledge and Security Agreement"), (iii) a mortgage lien on and security interest in certain properties of the Institution pursuant to a certain Mortgage and Security Agreement, dated as of April 1, 2014, from the Institution to the Issuer (the "Mortgage"); which mortgage lien and security interest has been assigned by the Issuer to the Trustee pursuant to a certain Assignment of Mortgage and Security Agreement, dated as of April 1, 2014, from the Issuer to the Trustee (the "Assignment of Mortgage") and (iv) the respective funds and accounts (except the Rebate Fund) held by the Trustee under the Indenture, including the Debt Service Reserve Fund (as defined herein). See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS."

The Series 2014 Bonds are subject to redemption prior to maturity. The Series 2014B Bonds are not subject to optional redemption. See "THE SERIES 2014 BONDS – Redemption Prior to Maturity."

The Series 2014 Bonds will be issued as registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, which will act as Securities Depository for the Series 2014 Bonds. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or any multiple thereof. Purchasers will not receive certificates representing their ownership interest in the Series 2014 Bonds. Interest on the Series 2014 Bonds will be payable on July 15, 2014, and semi-annually thereafter on January 15 and July 15 in each year until maturity.

The scheduled payment of principal of and interest on the Series 2014A Bonds and the Series 2014B Bonds when due will be guaranteed under two separate insurance policies to be issued concurrently with the delivery of the Series 2014 Bonds by Assured Guaranty Municipal Corp.



The Series 2014 Bonds are special obligations of the Issuer and do not constitute a debt or pledge of the faith and credit of the Issuer, the State of New York, Monroe County, New York or any taxing authority or political subdivision thereof for the payment of the principal or redemption price thereof or interest thereon. The Issuer has no taxing authority.

The Series 2014 Bonds are offered when, as and if issued and received by the underwriter and subject to the receipt of the approving opinion as to the validity of the Series 2014 Bonds of Harris Beach PLLC, Rochester, New York, Bond Counsel. Certain legal matters will be passed upon for the Institution by its counsel, Harter Secrest & Emery LLP, Rochester, New York. Certain legal matters will be passed upon for the Issuer by its counsel, Harris Beach PLLC, Rochester, New York. Certain legal matters will be passed upon for the Underwriter by its counsel, Trespasz & Marquardt, LLP, Syracuse, New York. It is anticipated that the Series 2014 Bonds will be available for delivery in New York, New York, or as may be agreed upon, on or about April 10, 2014.



\$31,615,000
MONROE COUNTY INDUSTRIAL DEVELOPMENT CORPORATION
TAX-EXEMPT REVENUE REFUNDING BONDS
(MONROE COMMUNITY COLLEGE ASSOCIATION, INC. PROJECT), SERIES 2014A

Maturities, Amounts, Interest Rates and Prices or Yields

<u>Due</u> <u>January 15</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> †
2018	\$ 915,000	4.000%	1.890%	61075TKD9
2019	955,000	4.000%	2.310%	61075TKE7
2020	990,000	5.000%	2.780%	61075TKF4
2021	1,040,000	5.000%	3.100%	61075TKG2
2022	1,090,000	5.000%	3.440%	61075TKH0
2023	1,145,000	5.000%	3.640%	61075TKJ6
2024	1,205,000	5.000%	3.780%	61075TKK3
2025	1,265,000	5.000%	3.910%	61075TKL1
2026	1,330,000	5.000%	4.000%	61075TKM9
2027	1,395,000	4.000%	4.140%	61075TKN7
2028	1,450,000	5.000%	4.190%	61075TKP2
2029	<u>1,525,000</u>	5.000%	4.280%	61075TKQ0
	\$14,305,000			

\$6,830,000 Term Bonds, 4.375%, due January 15, 2033, Yield 4.620%, CUSIP†: 61075TKR8

\$10,480,000 Term Bonds, 5.000%, due January 15, 2038, Yield 4.640%, CUSIP†: 61075TKS6

\$2,720,000
MONROE COUNTY INDUSTRIAL DEVELOPMENT CORPORATION
TAXABLE REVENUE BONDS
(MONROE COMMUNITY COLLEGE ASSOCIATION, INC. PROJECT), SERIES 2014B

Maturities, Amounts, Interest Rates and Prices or Yields

<u>Due</u> <u>January 15</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> †
2015	\$ 1,100,000	2.350%	2.350%	61075TKT4
2016	800,000	2.600%	2.600%	61075TKU1
2017	<u>820,000</u>	3.322%	3.322%	61075TKV9
	\$ 2,720,000			

† The CUSIP (Committee on Uniform Securities Identification Procedures) numbers on the inside cover page of this Official Statement have been assigned by an organization not affiliated with the Issuer, the Institution, the Underwriter or the Trustee, and such parties are not responsible for the selection or use of the CUSIP numbers. The CUSIP numbers are included solely for the convenience of holders and no representation is made as to the correctness of the CUSIP numbers printed above. CUSIP numbers assigned to the Series 2014 Bonds may be changed during the term of the Series 2014 Bonds based on a number of factors including but not limited to the refunding or defeasance of such issues or the use of secondary market financial products. None of the Issuer, the Institution, the Underwriter or the Trustee has agreed to, nor is there any duty or obligation to, update this Official Statement to reflect any change or correction in the CUSIP numbers printed above.

No person has been authorized by the Issuer or the Institution to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Series 2014 Bonds in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Institution.

The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of its responsibilities under the federal securities law as applied to the facts and circumstances of this transaction, but the Underwriter does not guaranty the accuracy or completeness of such information.

Assured Guaranty Municipal Corp. (“AGM”) makes no representation regarding the Series 2014 Bonds or the advisability of investing in the Series 2014 Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading “Bond Insurance” and “Appendix I - Specimen Municipal Bond Insurance Policy”.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2014 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

TABLE OF CONTENTS

INTRODUCTION	1
THE SERIES 2014 BONDS.....	3
ANNUAL DEBT SERVICE ON THE SERIES 2014 BONDS	10
SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS	11
BOND INSURANCE	14
THE ISSUER.....	16
THE PROJECT.....	16
THE INSTITUTION	17
THE COLLEGE	18
SOURCES AND USES OF BOND PROCEEDS	21
BONDHOLDERS' RISKS.....	21
CONTINUING DISCLOSURE OBLIGATIONS.....	24
TAX MATTERS	25
INDEPENDENT AUDITORS	30
RATINGS.....	30
LITIGATION	30
LEGAL MATTERS.....	31
UNDERWRITING	31
MISCELLANEOUS	31
APPENDIX A – Certain Information Concerning the Institution	A-1
APPENDIX B – Audited Financial Statements of the Institution for the Fiscal Years Ended June 30, 2013 and 2012	B-1
APPENDIX C – Certain Definitions	C-1
APPENDIX D – Summary of Certain Provisions of the Indenture	D-1
APPENDIX E – Summary of Certain Provisions of the Loan Agreement and Pledge and Assignment	E-1
APPENDIX F – Summary of Certain Provisions of the Pledge and Security Agreement	F-1
APPENDIX G – Summary of Certain Provisions of the Mortgage.....	G-1
APPENDIX H – Form of Approving Opinion of Bond Counsel	H-1
APPENDIX I – Form of Specimen Municipal Bond Insurance Policy	I-1

OFFICIAL STATEMENT

of the

MONROE COUNTY INDUSTRIAL DEVELOPMENT CORPORATION

Relating to

\$31,615,000
TAX-EXEMPT REVENUE REFUNDING BONDS
(MONROE COMMUNITY COLLEGE ASSOCIATION,
INC. PROJECT), SERIES 2014A

\$2,720,000
TAXABLE REVENUE BONDS
(MONROE COMMUNITY COLLEGE ASSOCIATION,
INC. PROJECT), SERIES 2014B

INTRODUCTION

The purpose of this Official Statement, including the cover page and the appendices attached hereto, is to provide information in connection with the issuance by the Monroe County Industrial Development Corporation (the "Issuer") of its \$31,615,000 Tax-Exempt Revenue Refunding Bonds (Monroe Community College Association, Inc. Project), Series 2014A (the "Series 2014A Bonds") and \$2,720,000 Taxable Revenue Bonds (Monroe Community College Association, Inc. Project), Series 2014B (the "Series 2014B Bonds," and together with the Series 2014A Bonds, the "Series 2014 Bonds"). The following is a brief description of certain information concerning the Series 2014 Bonds, the Issuer and Monroe Community College Association, Inc. (the "Institution"). A more complete description of such information and additional information that may affect decisions to invest in the Series 2014 Bonds is contained throughout this Official Statement, which should be read in its entirety. Capitalized terms used in this Official Statement shall have the meanings specified in Appendix C attached hereto. Terms not otherwise defined in this Official Statement have the meanings provided in the specific documents.

Purpose of the Issue

The proceeds of the sale of the Series 2014A Bonds will provide funds which, together with any other available funds, will be used to (i) refund the outstanding principal amount of the Variable Rate Demand Revenue Bonds (Monroe Community College Association, Inc. Project), Series 2002A (the "Series 2002 Bonds") and Variable Rate Demand Civic Facility Revenue Bonds (Monroe Community College Association, Inc. Project), Series 2006A (the "Series 2006 Bonds") issued by the County of Monroe Industrial Development Agency ("COMIDA") for the benefit of the Institution, (ii) fund the Series 2014A Debt Service Reserve Fund Account (as defined herein) as security for the Series 2014A Bonds and (iii) pay certain costs and expenses incidental to the issuance of the Series 2014A Bonds. See "SOURCES AND USES."

The proceeds of the sale of the Series 2014B Bonds will provide funds which, together with any other available funds, will be used to (i) pay the termination fee pursuant to that certain 2002 Master Agreement, dated September 21, 2006, by and between the Institution and JPMorgan Chase Bank, National Association; (ii) fund the Series 2014B Debt Service Reserve Fund Account (as defined herein) as security for the Series 2014B Bonds and (iii) pay certain costs and expenses incidental to the issuance of the Series 2014B. See "SOURCES AND USES."

Authorization of the Series 2014 Bonds

The Series 2014 Bonds are authorized to be issued pursuant to a resolution of the Issuer adopted on March 11, 2014 (the "Resolution"). The Series 2014 Bonds will be issued under an Indenture of Trust, dated as of April 1, 2014 (the "Indenture"), by and between the Issuer and The Bank of New York Mellon, as trustee (the "Trustee"). See "THE SERIES 2014 BONDS" herein.

The Issuer

The Issuer is a not-for-profit corporation constituting a local development corporation duly organized and existing under the laws of the State of New York. See “THE ISSUER” herein.

The Institution

Monroe Community College Association, Inc. (the “Institution”) is a not-for-profit corporation duly organized and existing under the laws of the State of New York. The Institution is an organization that is exempt from federal income tax pursuant to §501(c)(3) of the Internal Revenue Code of 1986, as amended. The Association was established to supplement, advance and enrich the educational, social, cultural and recreational welfare of the students, alumni, faculty and staff of Monroe Community College (the “College”) and construct, operate and maintain educational, social, cultural, research, recreational, eating and living facilities for the students, alumni, faculty and staff of the College.

The Association provides financial and management support for many student services at the College. In particular, an agreement made as of September 1, 1975 (the “Services Agreement”) calls for the Association to operate the Monroe Community College Bookstores, the Child Care Center, Athletics, Co-Curricular Programs, campus food services, the campus shuttle and parking services. Under the Services Agreement, the College provides the Association with sufficient rent-free space and facilities to carry on the services. The Association is required to prepare an annual budget for the services and an annual budget governing the expenditure of net income from the services provided. Under the Services Agreement, these budgets, which include projected revenues and profits, must be approved by the College President or his/her designee. Once approved, the College sets and collects on behalf of the Association student activity fees to further supplement the Association’s approved budgets. The Services Agreement may be terminated by either party on August 31 of any year provided that at least six months notice in writing of such impending termination has been given to or served upon the other party.

In addition to the services provided pursuant to the Services Agreement, the Association owns and operates the College’s only on-campus student residences. These four student residences are located on the College’s Brighton campus. While the Association owns, operates and staffs the student residences, it contracts with the College for cleaning, maintenance and security services. See “APPENDIX A - Certain Information Concerning the Institution” and “APPENDIX B – Audited Financial Statements of the Institution for the Fiscal Years Ended June 30, 2013 and 2012.”

Limited Obligations of the Issuer

THE SERIES 2014 BONDS ARE SPECIAL AND LIMITED OBLIGATIONS OF THE ISSUER. THE ISSUER IS OBLIGATED TO PAY PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2014 BONDS SOLELY FROM THE NET REVENUES AND OTHER FUNDS OF THE ISSUER PLEDGED THEREFOR UNDER THE TERMS OF THE INDENTURE AND AVAILABLE FOR SUCH PAYMENT. THE SERIES 2014 BONDS ARE NOT A DEBT OF THE STATE OF NEW YORK, OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING MONROE COUNTY, NEW YORK, AND NEITHER THE STATE OF NEW YORK NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING MONROE COUNTY, NEW YORK, SHALL BE LIABLE THEREON. THE SERIES 2014 BONDS SHALL NOT BE PAYABLE FROM ANY OTHER FUNDS OF THE ISSUER. THE ISSUER HAS NO TAXING POWERS.

General

The Series 2014 Bonds will be issued as “book-entry-only” obligations to be held by The Depository Trust Company, as depository (the “Depository”) for the Series 2014 Bonds. See “THE SERIES 2014 BONDS – Book-Entry-Only System” herein.

The Series 2014 Bonds will be equally and ratably secured as to principal, premium, if any, and interest by the Indenture. The Indenture constitutes a first lien on the Trust Estate (as defined in the Indenture).

As security for the Series 2014 Bonds: (i) the Issuer assigned to the Trustee all of its rights (except Reserved Rights, as defined in the Indenture) under the Loan Agreement, pursuant to the terms of a certain Pledge and Assignment, dated as of April 1, 2014, from the Issuer to the Trustee (the "Pledge and Assignment"), (ii) the Institution granted to the Issuer a mortgage lien on and security interest in certain properties of the Institution pursuant to a certain Mortgage and Security Agreement, dated as of April 1, 2014, from the Institution to the Issuer (the "Mortgage"); which mortgage lien and security interest has been assigned by the Issuer to the Trustee pursuant to a certain Assignment of Mortgage and Security Agreement, dated as of April 1, 2014, from the Issuer to the Trustee (the "Assignment of Mortgage") and (iii) the Institution has granted to the Trustee a security interest in and lien on the Pledged Revenues (as defined in the hereinafter defined Pledge and Security Agreement) pursuant to a certain Pledge and Security Agreement, dated as of April 1, 2014, by and between the Institution and the Trustee (the "Pledge and Security Agreement").

The scheduled payment of principal of and interest on the Series 2014A Bonds when due will be guaranteed under an insurance policy (the “Series 2014A Insurance Policy”) to be issued concurrently with the delivery of the Series 2014A Bonds by Assured Guaranty Municipal Corp. (the “Insurer”).

The scheduled payment of principal of and interest on the Series 2014B Bonds when due will be guaranteed under an insurance policy (the “Series 2014B Insurance Policy”) to be issued concurrently with the delivery of the Series 2014B Bonds by the Insurer.

The purchase of the Series 2014 Bonds involves a degree of risk. Prospective purchasers should carefully consider the entire Official Statement including the material under the caption “BONDHOLDERS’ RISKS” herein.

The Series 2014 Bonds will be sold and delivered by the Issuer to Janney Montgomery Scott LLC, as underwriter (the “Underwriter”), pursuant to a bond purchase agreement (the “Bond Purchase Agreement”) by and among the Issuer, the Institution, and the Underwriter. See “UNDERWRITING” herein.

The following summaries are not comprehensive or definitive. All references to the Series 2014 Bonds, the Indenture, the Loan Agreement, the Assignment, the Pledge and Security Agreement and the Mortgage are qualified in their entirety by the definitive forms thereof. Copies of the documents are available for inspection at the office of the Underwriter at 575 Lexington Avenue, 20th Floor, New York, New York 10022 and, after delivery of the Series 2014 Bonds to the Underwriter, at the principal corporate trust office of the Trustee currently located at 525 William Penn Place, 38th Floor, Pittsburgh, Pennsylvania 15259

THE SERIES 2014 BONDS

Authorization

The Series 2014 Bonds are authorized to be issued pursuant to Section 1411 of the Not-for-Profit Corporation Law of the State of New York (the “State”), as amended (the “Act”), the Issuer’s Certificate of Incorporation and the Resolution.

General

The Series 2014 Bonds will mature on January 15 of the years and in the amounts shown on the inside cover hereof. The Series 2014 Bonds will bear interest payable on July 15, 2014, and semiannually thereafter on each January 15 and July 15 at the rates per annum set forth on the inside cover hereof. The Series 2014 Bonds shall be issued without coupons in the denomination of \$5,000, or any integral multiple thereof.

The Series 2014 Bonds will be issued in fully registered form and when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as the securities depository (the “Securities Depository”) for the Series 2014 Bonds. Purchasers will not receive certificates representing their interest in the Series 2014 Bonds. See “Book-Entry Only System” below.

The principal of and premium, if any, on the Series 2014 Bonds shall be payable in lawful money of the United States of America at the Office of the Trustee, or of its successor in trust. Interest on Series 2014 Bonds due on any Bond Payment Date shall be payable to the Person in whose name such Bond is registered at the close of business on the Regular Record Date with respect to such Bond Payment Date, irrespective of any transfer or exchange of such Bond subsequent to such Regular Record Date and prior to such Bond Payment Date, unless the Issuer shall default in the payment of interest due on such Bond Payment Date. In the event of any such default, such defaulted interest shall be payable to the Person in whose name such bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest established by notice mailed by the Trustee to the Owners of Series 2014 Bonds not less than fifteen (15) days preceding such Special Record Date. Such notices shall be mailed to the Persons in whose name the Series 2014 Bonds are registered at the close of business on the fifth (5th) day preceding the date of mailing. Payment of interest on the Series 2014 Bonds will be made by (i) check or draft mailed to the address of the Person in whose name such Series 2014 Bonds are registered, as such address appears on the registration books maintained by the Trustee, or (ii) at such other address furnished to the Trustee in writing by the Holder at least five (5) Business Days prior to the date of payment, or at the election of an Owner of at least \$1,000,000 aggregate principal amount of Series 2014 Bonds, by bank wire transfer to a bank account maintained by such Owner in the United States of America designated in written instructions delivered to the Trustee at least five (5) Business Days prior to the date of such payment, which written instructions may relate to multiple Bond Payment Dates.

Redemption Prior to Maturity

Extraordinary Redemption Without Premium. The Series 2014 Bonds are subject to redemption prior to maturity, at the option of the Issuer exercised at the direction of the Institution, as a whole, on any date, at a Redemption Price equal to one hundred percent (100%) of the unpaid principal amount thereof, plus accrued interest to the date of redemption, if one or more of the following events shall have occurred:

(i) Damage or destruction of all or any part (if damage or destruction of such part causes the Institution to be impracticable to continue to carry out its normal operations) of the Institution's operating assets as evidenced by an opinion of an Independent Engineer filed with the Issuer and the Trustee that (a) the damaged or destroyed operating asset(s) cannot be reasonably restored within a period of one (1) year from the date of such damage or destruction to the condition thereof immediately preceding such damage or destruction, (b) the Institution is thereby prevented or likely to be prevented from carrying on its normal operations for a period of one (1) year from the date of such damage or destruction, or (c) the restoration cost of such assets would exceed the total amount of all insurance proceeds, including any deductible amount, in respect of such damage or destruction; or

(ii) Title to, or the temporary use of, all or substantially all of the Institution's operating assets shall have been taken or condemned by a competent authority which taking or condemnation results, or is likely to result, in the Institution being thereby prevented or likely to be prevented from carrying on its normal operations for a period of one (1) year from the date of such taking or condemnation, as evidenced by an opinion of an Independent Engineer filed with the Issuer and the Trustee; or

(iii) As a result of changes in the Constitution of the United States of America or of the State of New York or of legislative or executive action of said State or any political subdivision thereof or of the United States of America or by final decree or judgment of any court after the contest thereof by the Institution, the Loan Agreement becomes void or unenforceable or impossible of performance in accordance with the intent and purpose of the parties as expressed therein.

If the Series 2014 Bonds are to be redeemed in whole as a result of the occurrence of any of the events described above, the Institution is required under the Loan Agreement to deliver to the Issuer and the Trustee a certificate of an Authorized Representative of the Institution stating that, as a result of the occurrence of the event giving rise to such redemption, the Institution has discontinued, or at the earliest practicable date will discontinue, its operation of the Facility for its intended purposes.

Mandatory Sinking Fund Redemption of Series 2014 Bonds Without Premium.

The Series 2014A Bonds maturing on January 15, 2033 shall be subject to mandatory redemption on the sinking fund redemption dates and in the sinking fund redemption amounts set forth in the following table, at a Redemption Price equal to 100% of the principal amount thereof being redeemed plus accrued interest to the Redemption Date:

<u>Sinking Fund Redemption Dates (January 15)</u>	<u>Sinking Fund Redemption Amounts</u>
2030	\$1,600,000
2031	1,670,000
2032	1,740,000
2033*	1,820,000

*Maturity Date

The Series 2014A Bonds maturing on January 15, 2038 shall be subject to mandatory redemption on the sinking fund redemption dates and in the sinking fund redemption amounts set forth in the following table, at a Redemption Price equal to 100% of the principal amount thereof being redeemed plus accrued interest to the Redemption Date:

<u>Sinking Fund Redemption Dates (January 15)</u>	<u>Sinking Fund Redemption Amounts</u>
2034	\$1,900,000
2035	1,990,000
2036	2,090,000
2037	2,195,000
2038*	2,305,000

*Maturity Date

The Institution may, at its election upon delivery to the Trustee of a certificate signed by an Authorized Representative of the Institution, apply as a credit against the aggregate principal amount of Bonds subject to redemption on such sinking fund redemption date the principal amount of Bonds of the same maturity acquired by the Institution and delivered to the Trustee for cancellation not less than ninety (90) days prior to such sinking fund redemption date, or redeemed otherwise than pursuant to an optional redemption as provided herein which have not theretofore been used for the purposes of any such credit.

Optional Redemption. The Series 2014A Bonds maturing after January 15, 2024 are subject to redemption by the Issuer at the option of the Institution on or after January 15, 2024, in whole or in part at any time, at a Redemption Price equal to 100% of the principal amount of each Series 2014A Bond or portion thereof to be redeemed, plus accrued interest, if any, to the Redemption Date.

The Series 2014B Bonds are not subject to optional redemption.

Purchase of Series 2014 Bonds in Lieu of Redemption.

Subject to the prior written approval of the Insurer, if the Series 2014 Bonds are called for redemption in whole or in part pursuant to the terms of the Indenture, the Series 2014 Bonds called for redemption may be purchased in lieu of redemption in accordance with Section 3.01(f) of the Indenture. Purchase in lieu of redemption shall be available for all of the Series 2014 Bonds called for redemption or for such lesser portion of such Series 2014 Bonds as constitute Authorized Denominations. The Institution may direct the Trustee to purchase all or such lesser portion of the Series 2014 Bonds so called for redemption.

Notice of Redemption

When Series 2014 Bonds are to be redeemed, the Trustee shall give notice of the redemption of the Series 2014 Bonds stating: (1) the Series 2014 Bonds to be redeemed; (2) the Redemption Date; (3) that such Series 2014 Bonds will be redeemed at the Office of the Trustee; (4) that on the Redemption Date there shall become due and payable upon each Series 2014 Bond to be redeemed the Redemption Price thereof (except in the case of a mandatory sinking fund redemption of Bonds without premium, in which case the principal will be due and payable on the Redemption Date and the interest will be paid on such date as provided in Article II of the Indenture); and (5) that from and after the Redemption Date interest thereon shall cease to accrue. With respect to any optional redemption under Section 3.01(e) of the Indenture, any such notice of redemption may state that the redemption is conditioned upon receipt by the Trustee, on or prior to the Redemption Date, of moneys sufficient, together with any other moneys held by the Trustee and available therefor, to pay on the Redemption Date the Redemption Price of the Series 2014 Bonds to be redeemed, and that if such moneys are not received on or prior to such Redemption Date such notice shall be of no force or effect and such Series 2014 Bonds shall not be required to be redeemed. The Trustee shall mail a copy of such notice postage prepaid, not less than thirty (30) days nor more than sixty (60) days prior to the Redemption Date, to each Holder at the address of such Holder appearing on the registration books of the Issuer maintained by the Trustee, as Bond Registrar. If the Series 2014 Bonds are registered to Cede & Co., such notice shall be submitted electronically to The Depository Trust Company. Such mailing shall not be a condition precedent to such redemption, and failure to so mail any such notice to any of such Holders shall not affect the validity of the proceedings for the redemption of the Series 2014 Bonds.

Partial Redemption of Series 2014 Bonds

Upon surrender of any Series 2014 Bond for redemption in part only, the Issuer shall execute and the Trustee shall authenticate and deliver to the Holder thereof a new Series 2014 Bond or Series 2014 Bonds of the same series in an aggregate principal amount equal to the unredeemed portion of the Series 2014 Bond surrendered.

Selection of Bonds for Redemption

If less than all Series 2014 Bonds of a series are to be redeemed, the Series 2014 Bonds of such series to be called for redemption shall be selected by lot, subject to the written consent of the Insurer.

Book-Entry-Only System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2014 Bonds. The Series 2014 Bonds will be issued as fully-registered securities in the name of Cede & Co. (DTC's partnership nominee), or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2014 Bond certificate will be issued for each maturity of the Series 2014 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

Purchases of Series 2014 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2014 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2014 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners, however, 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 2014 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 2014 Bonds, except in the event that use of the book-entry system for the Series 2014 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2014 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2014 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2014 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2014 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. Beneficial Owners of the Series 2014 Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series 2014 Bonds, such as redemptions, tenders, defaults, and

proposed amendments to the documents relating to the Series 2014 Bonds. For example, Beneficial Owners of Series 2014 Bonds may wish to ascertain that the nominee holding the Series 2014 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity of the Series 2014 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2014 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2014 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and redemption premium, if any, of and interest payments on the Series 2014 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the Trustee on 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 Underwriter, the Institution, the Trustee or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption premium, if any, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2014 Bonds at any time by giving reasonable notice to the Issuer or the Agent. Under such circumstances, in the event that a successor securities depository is not obtained, then the Series 2014 Bonds shall no longer be restricted to being registered in the name of the Nominee, but shall be registered in whatever name or names Owners transferring or exchanging Series 2014 Bonds shall designate, in accordance with the provisions of the Indenture.

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

NEITHER THE ISSUER, THE INSTITUTION, THE UNDERWRITER NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO THE PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO: (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (2) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL, REDEMPTION PRICE OR PURCHASE PRICE OR INTEREST ON THE SERIES 2014 BONDS; (3) THE DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO BONDOWNERS; (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2014 BONDS; OR (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDOWNER.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES 2014 BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE BONDOWNERS OR REGISTERED HOLDERS OF

THE SERIES 2014 BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2014 BONDS.

Additional Bonds

Subject to the Indenture, the Issuer may issue Additional Bonds under the Indenture from time to time on a pari passu basis with the Series 2014 Bonds to (1) pay the cost of completing the Project or to reimburse expenditures of the Institution for any such costs, (2) pay the cost of Capital Additions or to reimburse expenditures of the Institution for any such cost, (3) pay the cost of refunding through redemption of any Outstanding Bonds issued under the Indenture and subject to such redemption, or (4) pay the cost of any additional project approved by the Issuer.

Prior to issuance of any such Additional Bonds, the Institution must deliver to the Trustee certain items under the Indenture, including a certificate of an Authorized Representative of the Institution containing pro forma calculations demonstrating a Debt Service Coverage Ratio of 1.20:1.00 or higher for the two (2) consecutive preceding Fiscal Years for which audited financial statements are available taking into account the Additional Bonds proposed to be issued. Pursuant to the Indenture, such calculation shall take into account any Policy Costs due and owing. See “APPENDIX D – Summary of Certain Provisions of the Indenture.”

[Remainder of Page Intentionally Left Blank]

ANNUAL DEBT SERVICE ON THE SERIES 2014 BONDS

The annual debt service on the Series 2014 Bonds is as follows:

Period Ending	2014A Principal	2014B Principal	2014A Coupon	2014B Coupon	Interest	Annual Debt Service
6/30/2015		\$ 1,100,000		2.350%	\$ 1,206,411.94	\$ 2,306,411.94
6/30/2016		800,000		2.600%	1,553,452.90	2,353,452.90
6/30/2017		820,000		3.322%	1,532,652.90	2,352,652.90
6/30/2018	\$ 915,000		4.000%		1,505,412.50	2,420,412.50
6/30/2019	955,000		4.000%		1,468,812.50	2,423,812.50
6/30/2020	990,000		5.000%		1,430,612.50	2,420,612.50
6/30/2021	1,040,000		5.000%		1,381,112.50	2,421,112.50
6/30/2022	1,090,000		5.000%		1,329,112.50	2,419,112.50
6/30/2023	1,145,000		5.000%		1,274,612.50	2,419,612.50
6/30/2024	1,205,000		5.000%		1,217,362.50	2,422,362.50
6/30/2025	1,265,000		5.000%		1,157,112.50	2,422,112.50
6/30/2026	1,330,000		5.000%		1,093,862.50	2,423,862.50
6/30/2027	1,395,000		4.000%		1,027,362.50	2,422,362.50
6/30/2028	1,450,000		5.000%		971,562.50	2,421,562.50
6/30/2029	1,525,000		5.000%		899,062.50	2,424,062.50
6/30/2030	1,600,000		4.375%		822,812.50	2,422,812.50
6/30/2031	1,670,000		4.375%		752,812.50	2,422,812.50
6/30/2032	1,740,000		4.375%		679,750.00	2,419,750.00
6/30/2033	1,820,000		4.375%		603,625.00	2,423,625.00
6/30/2034	1,900,000		5.000%		524,000.00	2,424,000.00
6/30/2035	1,990,000		5.000%		429,000.00	2,419,000.00
6/30/2036	2,090,000		5.000%		329,500.00	2,419,500.00
6/30/2037	2,195,000		5.000%		225,000.00	2,420,000.00
6/30/2038	2,305,000		5.000%		115,250.00	2,420,250.00
	\$ 31,615,000	\$ 2,720,000			\$ 23,530,267.74	\$ 57,865,267.74

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS

Payment of the Series 2014 Bonds

The Series 2014 Bonds will be special obligations of the Issuer. The principal, Redemption Price of and interest on the Series 2014 Bonds are payable solely from the revenues received by the Issuer pursuant to the Loan Agreement (other than with respect to the Unassigned Rights), the Pledge and Security Agreement and all funds and accounts (excluding the Rebate Fund) established by the Indenture. Pursuant to the Loan Agreement between the Institution and the Issuer, the Institution is obligated to make payments equal to debt service on the Series 2014 Bonds. The aforementioned revenues consist of the payments required to be made by the Institution under the Loan Agreement on account of the principal, Redemption Price of and interest on the Series 2014 Bonds. The Issuer has directed the Institution, and the Institution has agreed, to make such payments directly to the Trustee.

Security for the Series 2014 Bonds

General

The Series 2014 Bonds will be secured by (1) all moneys and securities held from time to time by the Trustee for the Owners of the Series 2014 Bonds pursuant to the Indenture, including moneys and the Reserve Policy on deposit in the Debt Service Reserve Fund and all Series 2014 Bond proceeds prior to disbursement pursuant to the terms of such Indenture, but excepting monies held in the Rebate Fund, and (2) the Loan Agreement, as assigned to the Trustee (except the Unassigned Rights) pursuant to the terms of the Assignment.

The Pledge and Security Agreement

The payment obligation of the Institution under the Loan Agreement is secured by a pledge and security interest in the Pledged Revenues of the Institution pursuant to the Pledge and Security Agreement. Under the Pledge and Security Agreement, Pledged Revenues consist of all receipts, revenues, income and other money received by the Institution from any source and all rights to receive the same (including, without limitation, operating revenues and non-operating revenues determined in accordance with generally accepted accounting principles), whether in the form of accounts receivable, contract rights, chattel paper, instruments or other rights, and the Proceeds thereof, and any insurance thereon, whether now existing or hereafter coming into existence and whether now owned or held or hereafter acquired by the Institution; provided, however, that there shall be excluded from Pledged Revenues gifts, grants, bequests, donations and contributions heretofore or hereafter made, designated at the time of making thereof by the donor or maker as being for certain specific purposes, and the income derived therefrom, to the extent required by such designation. See "APPENDIX F - Summary of Certain Provisions of the Pledge and Security Agreement."

The Mortgage

As further security for the Series 2014 Bonds, the Institution will grant to the Issuer a mortgage lien on and security interest in the Mortgaged Premises pursuant to the terms of a Mortgage and Security Agreement, dated as of April 1, 2014 (the "Mortgage") which Mortgage shall be assigned by the Issuer to the Trustee pursuant to a certain Assignment of Mortgage and Security Agreement, dated as of April 1, 2014, from the Issuer to the Trustee (the "Assignment of Mortgage"). See "APPENDIX G - Summary of Certain Provisions of the Mortgage."

Balance Sheet Maintenance Covenant

The Institution covenants in the Loan Agreement to maintain as of the end of each Fiscal Year a ratio of Unrestricted Net Assets to Operating Expenses of at least 0.30, computed upon the completion and availability of the Institution's audited financial statements produced in accordance with generally accepted accounting principles then applicable to the Institution (the "Audited Financial Statements").

For this purpose, "Unrestricted Net Assets" is defined in the Loan Agreement to mean total "*Net Assets*" (as shown in the Audited Financial Statements) not otherwise invested in capital assets (net of related debt) or permanently restricted, as displayed or included in the Institution's Audited Financial Statements; and "Operating Expenses" means total unrestricted operating expenses as displayed or included in the Institution's Audited Financial Statements, provided, for purposes of this definition, Operating Expenses shall include depreciation, amortization, provisions for bad debt and interest expense and shall include deposits to the Replacement Fund.

On or prior to each Reporting Date, the Institution shall file with the Insurer and the Trustee a certificate of an Authorized Officer of the Institution stating whether at the immediately preceding Testing Date the ratio of Unrestricted Net Assets to Operating Expenses for the most recent Fiscal Year is satisfied and setting forth the calculation upon which such statement is based.

If the certificate required above shows that the ratio of Unrestricted Net Assets to Operating Expenses as required above, as derived from the most recent Audited Financial Statements, is not satisfied, the Institution covenants to retain a Consultant (as defined in the Loan Agreement) within thirty (30) days after the date the Audited Financial Statements become available, to make recommendations to achieve a ratio of Unrestricted Net Assets to Operating Expenses in the following Fiscal Year equal to or greater than the level required above. Any Consultant so retained shall be required to submit such recommendations to the Insurer and the Trustee within forty-five (45) days after being so retained. The Institution agrees that it shall, to the maximum extent permitted by law, follow the recommendations of the Consultant; so long as a Consultant shall be retained and the Institution shall follow such Consultant's recommendations to the extent permitted by law, this covenant shall be deemed to have been complied with even if the ratio of Unrestricted Net Assets to Operating Expenses for any such Fiscal Year was below the required level.

In accordance with the Loan Agreement, a failure of the Institution to observe, perform or maintain the ratio of Unrestricted Net Assets to Operating Expenses as required by the Loan Agreement for any two (2) consecutive Fiscal Years shall immediately constitute an Event of Default in accordance with the Loan Agreement. See "APPENDIX E - Summary of Certain Provisions of the Loan Agreement and Pledge and Assignment."

Debt Service Coverage Ratio

The Institution covenants in the Loan Agreement to maintain during each Fiscal Year a Debt Service Coverage Ratio of 1.20:1.00, commencing with the Fiscal Year ending June 30, 2015. For purposes of calculating the Debt Service Coverage Ratio for such pro forma calculations, Annual Debt Service shall be equal to projected Maximum Annual Debt Service on the outstanding Series 2014 Bonds and any Additional Bonds. Pursuant to the Indenture, such calculation shall take into account any Policy Costs due and owing.

Under the Loan Agreement, on or prior to each Reporting Date, the Institution is required to file with the Insurer and the Trustee a certificate of an Authorized Officer of the Institution stating whether at the immediately preceding Testing Date the Debt Service Coverage Ratio requirement is satisfied and setting forth the calculation upon which such statement is based.

If the certificate required above shows that at any time the Debt Service Coverage Ratio as required above, as derived from the most recent Audited Financial Statements, is not satisfied, the Institution covenants to retain a Consultant within thirty (30) days after the date the Audited Financial Statements become available, to make recommendations to achieve a Debt Service Coverage Ratio in the following Fiscal Year of not less than 1.20:1.00. Any Consultant so retained shall be required to submit such recommendations to the Insurer and the Trustee within forty-five (45) days after being so retained. The Institution agrees that it shall, to the maximum extent permitted by law, follow the recommendations of the Consultant. So long as a Consultant shall be retained and the Institution shall follow such Consultant's recommendations to the extent permitted by law, this covenant shall be deemed to have been complied with even if the Debt Service Coverage Ratio for any such Fiscal Year was below the required level.

In accordance with the Loan Agreement, a failure of the Institution to observe, perform or maintain a Debt Service Coverage Ratio of not less than 1.00:1.00 for any Fiscal Year shall immediately constitute an Event of Default in accordance with the Loan Agreement. See "APPENDIX E - Summary of Certain Provisions of the Loan Agreement and Pledge and Assignment."

Debt Service Reserve Fund

The Indenture establishes a Debt Service Reserve Fund to be funded at the time of delivery of the Series 2014 Bonds. On the Closing Date, the Trustee shall deposit to the credit of the Series 2014A Debt Service Reserve Fund Account from the proceeds of the sale of Series 2014A Bonds, an amount equal to fifty percent (50%) of the applicable Debt Service Reserve Fund Requirement and (ii) deposit to the credit of the Series 2014A Debt Service Reserve Fund Account, the applicable Reserve Policy and (2)(i) deposit to the credit of the Series 2014B Debt Service Reserve Fund Account from the proceeds of the sale of Series 2014B Bonds, an amount equal to fifty percent (50%) of the applicable Debt Service Reserve Fund Requirement and (ii) deposit to the credit of the Series 2014B Debt Service Reserve Fund Account, the applicable Reserve Policy.

In the event that on the fourth (4th) Business Day preceding any Bond Payment Date, the amount in the applicable account of the Bond Fund shall be less than the amount required for payment of interest on and principal of the applicable Series of Outstanding Bonds (including payment of sinking fund redemption amounts, if any) due and payable on such Bond Payment Date, the Trustee shall, (1) transfer from the applicable account of the Debt Service Reserve Fund to the applicable account of the Bond Fund such amount as will increase the balance in the applicable account of the Bond Fund to an amount sufficient to make such payment and (2) immediately notify the Issuer and the Institution of such transfer.

If the moneys and investments held in the applicable account of the Debt Service Reserve Fund as of the date immediately following a Bond Payment Date are less than the applicable Debt Service Reserve Fund Requirement as of such date, the Trustee shall immediately provide the Issuer and the Institution with written notice of the amount of such deficiency, and whether such deficiency arose due to a transfer of funds to the applicable account of the Bond Fund, in accordance with the Indenture, or due to a decline in value of the investments held in the applicable account of the Debt Service Reserve Fund. If such deficiency arose due to a transfer of funds from the applicable account of the Debt Service Reserve Fund to the applicable account of the Bond Fund in accordance with the Indenture, then the Issuer shall, as soon as practicable, but in no event later than ten (10) days after its receipt of such notice (or such longer period of time to which the Holders of not less than sixty-six and two-thirds percent (66 2/3%) of the aggregate principal amount of Bonds Outstanding shall agree, by written notice to the Trustee and the Institution), deliver to the Trustee, or cause the Institution to deliver to the Trustee, moneys or Governmental Obligations the value of which is sufficient to increase the amount in the applicable account of the Debt Service Reserve Fund to the applicable Debt Service Reserve Fund Requirement. If such deficiency arose due to a decline in value of the investments credited to the applicable account of the Debt Service Reserve Fund, then the Issuer shall replenish, or cause the Institution to replenish, such deficiency by delivering to the Trustee, moneys or Governmental Obligations in six (6) equal monthly installments, each having a value equal to one-sixth (1/6th) of such deficiency, which installments shall be due and payable on the first (1st) Business Day of each of the next six (6) calendar months following the calendar month in which the Issuer and the Institution receive such notice from the Trustee.

If an Event of Default shall have occurred and the outstanding principal of the Bonds shall have become due and payable pursuant to Article VIII of the Indenture, the entire balance in the applicable account of the Debt Service Reserve Fund shall, after making any transfer to the Rebate Fund required by the Tax Compliance Agreement and Section 4.09 of the Indenture, be transferred by the Trustee into the applicable account of the Bond Fund. See "APPENDIX D - Summary of Certain Provisions of the Indenture."

Replacement Fund

The Indenture establishes a Replacement Fund to be funded pursuant to the Loan Agreement. So long as the Series 2014A Bonds remain Outstanding, the Institution agrees to pay to the Trustee, for deposit into the Replacement Fund, commencing on July 15, 2014 and on or before the fifteenth (15th) day of each month thereafter, an amount equal to one-twelfth (1/12th) of the Replacement Fund Requirement. The term "Replacement Fund Requirement" means an annual amount, calculated as of the commencement of each Fiscal Year, equal to \$330.00 per bed located in the Facility, which amount shall increase by three percent (3%) each Fiscal Year. See "APPENDIX D - Summary of Certain Provisions of the Indenture" and "APPENDIX E - Summary of Certain Provisions of the Loan Agreement and Pledge and Assignment."

Additional Indebtedness

Under the Loan Agreement, the Institution may issue, incur or assume Long-Term Indebtedness, provided the Institution provides to the Trustee and the Insurer a certificate of an Authorized Representative of the Institution containing pro forma calculations demonstrating a Debt Service Coverage Ratio of 1.20:1.00 or higher for the two (2) consecutive preceding Fiscal Years for which Audited Financial Statements are available taking into account the additional Long-Term Indebtedness proposed to be issued. Pursuant to the Indenture, such calculation shall take into account any Policy Costs due and owing. See "APPENDIX E - Summary of Certain Provisions of the Loan Agreement and Pledge and Assignment."

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Series 2014A Bonds, Assured Guaranty Municipal Corp. ("AGM") will issue its Municipal Bond Insurance Policy for the Series 2014A Bonds (the "Series 2014A Policy"). The Series 2014A Policy guarantees the scheduled payment of principal of and interest on the Series 2014A Bonds when due as set forth in the form of the Series 2014A Policy included as APPENDIX I to this Official Statement.

Concurrently with the issuance of the Series 2014B Bonds, AGM will issue its Municipal Bond Insurance Policy for the Series 2014B Bonds (the "Series 2014B Policy"). The Series 2014B Policy guarantees the scheduled payment of principal of and interest on the Series 2014B Bonds when due as set forth in the form of the Series 2014B Policy included as APPENDIX I to this Official Statement.

Neither the Series 2014A Policy nor the Series 2014B Policy are covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Assured Guaranty Municipal Corp.

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO". AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and global public finance, infrastructure and structured finance markets. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM's financial strength is rated "AA" (stable outlook) by Standard and Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P") and "A2" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any

time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On March 18, 2014, S&P published a Research Update report in which it upgraded AGM's financial strength rating to "AA" (stable outlook) from "AA-" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On February 10, 2014, Moody's issued a press release stating that it had affirmed AGM's insurance financial strength rating of "A2" (stable outlook). AGM can give no assurance as to any further ratings action that Moody's may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2013.

Capitalization of AGM

At December 31, 2013, AGM's policyholders' surplus and contingency reserves were approximately \$3,529 million and its net unearned premium reserve was approximately \$1,891 million. Such amounts represent the combined surplus, contingency reserves and net unearned premium reserve of AGM and its wholly owned subsidiary Assured Guaranty (Europe) Ltd., plus 60.7% of the contingency reserve and net unearned premium reserve of AGM's indirect subsidiary, Municipal Assurance Corp.

Incorporation of Certain Documents by Reference

Portions of the following document filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof: the Annual Report on Form 10-K for the fiscal year ended December 31, 2013 (filed by AGL with the SEC on February 28, 2014).

All consolidated financial statements of AGM and all other information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Series 2014 Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at <http://www.sec.gov>, at AGL's website at <http://www.assuredguaranty.com>, or will be provided upon request to Assured Guaranty Municipal Corp.: 31 West 52nd Street, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption “BOND INSURANCE – Assured Guaranty Municipal Corp.” or included in a document incorporated by reference herein (collectively, the “AGM Information”) shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AGM or one of its affiliates may purchase a portion of the Series 2014 Bonds offered under this Official Statement and such purchases may constitute a significant proportion of the Series 2014 Bonds offered. AGM or such affiliate may hold such Series 2014 Bonds for investment or may sell or otherwise dispose of such Series 2014 Bonds at any time or from time to time.

AGM makes no representation regarding the Series 2014 Bonds or the advisability of investing in the Series 2014 Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading “BOND INSURANCE”.

THE ISSUER

The Issuer is a not-for-profit corporation constituting a local development corporation duly organized and existing under Section 1411 of the Not-for-Profit Corporation Law of the State, as amended (the “Act”), having an office for the transaction of business at 8100 City Place, 50 W. Main Street, Rochester, New York 14614. The Issuer has the authority and power to own, lease and sell personal and real property for the purposes of, among other things, acquiring, constructing and equipping certain projects exclusively in furtherance of the charitable or public purposes of relieving and reducing unemployment, promoting and providing for additional and maximum employment, bettering and maintaining job opportunities, instructing or training individuals to improve or develop their capabilities for such jobs, by encouraging the development of, or retention of, an industry in the community or area, and lessening the burdens of government and acting in the public interest. The Act further authorizes the Issuer to issue its bonds and loan the proceeds thereof for the purpose of carrying out any of its corporate purposes and, as security for the payment of the principal and redemption price of and interest on any such bonds so issued and any agreements made in connection therewith, to pledge certain revenues and receipts to secure the payment of such bonds and interest thereon.

The Issuer has no power of taxation.

The Series 2014 Bonds are special obligations of the Issuer, payable solely as provided in the Indenture.

THE SERIES 2014 BONDS ARE NEITHER A GENERAL OBLIGATION OF THE ISSUER, NOR A DEBT OR INDEBTEDNESS OF MONROE COUNTY OR THE STATE OF NEW YORK AND NEITHER MONROE COUNTY NOR THE STATE OF NEW YORK WILL BE LIABLE THEREON.

THE PROJECT

The proceeds of the sale of the Series 2014A Bonds, together with any other available funds, will be used to finance a certain project (collectively, the “Series 2014A Project”) being undertaken by the Institution and consisting of: (A) the refunding of the outstanding principal amount of the \$15,910,000 original principal amount Variable Rate Demand Revenue Bonds (Monroe Community College Association, Inc. Project), Series 2002A (the “Series 2002 Bonds”) issued by the County of Monroe Industrial Development Agency (“COMIDA”) for the

benefit of the Institution, the proceeds of which were applied to: (i) fund the acquisition, construction and equipping of three (3) student apartment buildings consisting of a total of 410 beds in 105 units together with related site improvements on an approximately 6.4 acre parcel of land owned by the Institution and located on the main campus of Monroe Community College, located at 1000 East Henrietta Road in the Town of Brighton, New York (the "Campus") (collectively, the "Series 2002 Facility") and (ii) pay for certain costs of issuance in connection with the issuance of the Series 2002 Bonds; (B) the refunding of the outstanding principal amount of the \$18,295,000 original principal amount Variable Rate Demand Civic Facility Revenue Bonds (Monroe Community College Association, Inc. Project), Series 2006A (the "Series 2006 Bonds", and collectively with the Series 2002 Bonds, the "Prior Bonds") issued by COMIDA for the benefit of the Institution, the proceeds of which were applied to: (i) fund the acquisition, construction and equipping of three (3) student apartment buildings consisting of a total of 366 beds in 74 units together with related site improvements on an approximately 7.6 acre parcel of land owned by the Institution and located on the Campus (collectively, the "Series 2006 Facility", and collectively with the Series 2002 Facility, the "Facility") and (ii) pay for certain costs of issuance in connection with the issuance of the Series 2006 Bonds; (C) the funding of the 2014A Debt Service Reserve Fund Account as security for the Series 2014A Bonds and (D) the payment of certain costs and expenses incidental to the issuance of the Series 2014A Bonds.

The proceeds of the sale of the Series 2014B Bonds, together with any other available funds, will be used to finance a certain project (collectively, the "Series 2014B Project") being undertaken by the Institution and consisting of: (A) the payment of the termination fee pursuant to that certain 2002 Master Agreement, dated September 21, 2006, by and between the Institution and JPMorgan Chase Bank, National Association; (B) the funding of the Series 2014B Debt Service Reserve Fund Account as security for the Series 2014B Bonds and (C) the payment of certain costs and expenses incidental to the issuance of the Series 2014B Bonds.

THE INSTITUTION

Monroe Community College Association, Inc. (the "Institution") is a not-for-profit corporation duly organized and existing under the laws of the State of New York. The Institution is an organization that is exempt from federal income tax pursuant to §501(c)(3) of the Internal Revenue Code of 1986, as amended. The Association was established to supplement, advance and enrich the educational, social, cultural and recreational welfare of the students, alumni, faculty and staff of Monroe Community College (the "College") and construct, operate and maintain educational, social, cultural, research, recreational, eating and living facilities for the students, alumni, faculty and staff of the College.

The Association provides financial and management support for many student services at the College. In particular, an agreement made as of September 1, 1975 (the "Services Agreement") calls for the Association to operate the Monroe Community College Bookstores, the Child Care Center, Athletics, Co-Curricular Programs, campus food services, the campus shuttle and parking services. Under the Services Agreement, the College provides the Association with sufficient rent-free space and facilities to carry on the services. The Association is required to prepare an annual budget for the services and an annual budget governing the expenditure of net income from the services provided. Under the Services Agreement, these budgets, which include projected revenues and profits, must be approved by the College President or his/her designee. Once approved, the College sets and collects on behalf of the Association student activity fees to further supplement the Association's approved budgets. The Services Agreement may be terminated by either party on August 31 of any year provided that at least six months notice in writing of such impending termination has been given to or served upon the other party.

In addition to the services provided pursuant to the Services Agreement, the Association owns and operates the College's only on-campus student residences. These four student residences are located on the College's Brighton campus. While the Association owns, operates and staffs the student residences, it contracts with the College for cleaning, maintenance and security services. See "APPENDIX A - Certain Information Concerning the Institution" and "APPENDIX B – Audited Financial Statements of the Institution for the Fiscal Years Ended June 30, 2013 and 2012."

THE COLLEGE

THE COLLEGE IS NOT LIABLE OR OBLIGATED (GENERALLY, SPECIALLY, MORALLY OR OTHERWISE) TO PAY THE PRINCIPAL OF THE SERIES 2014 BONDS OR THE PREMIUM, IF ANY, OR INTEREST THEREON.

As described above, the Series 2002 Facility and the Series 2006 Facility, both of which are being refinanced by the Series 2014A Bonds, are located on the main campus of Monroe Community College (the "College" or "MCC"), at 1000 East Henrietta Road in the Town of Brighton, New York. The College is one of 30 community colleges and 64 campuses in the State University of New York system. Located in Rochester, the College serves more than 17,000 students in credit programs and another 17,000 in non-credit workshops and customized training. In its history, the College has served more than a quarter of a million people.

The College offers more than ninety academic programs in business, computers, health, communications, liberal arts, criminal justice, and human services. Specific degree programs include radiologic technology, interior design, office technology, tooling and machining, dental hygiene, heating and ventilating, hotel management, and several liberal arts programs, including education and general studies.

About 70% of the College's students in credit programs are enrolled in the transfer program intended to help them transition into a four year university for a bachelor's degree. In 2011, students transferred to 133 different four year schools. MCC has unique dual-admission agreements with 25 four-year institutions, which include several SUNY colleges.

Students at Monroe Community College study both full-time and part-time, and the College is a leader in online education. The College operates two campuses, the Brighton Campus and the Damon City Campus, and two extension centers in Greece Athena High School in Greece, New York and Webster Schroeder High School in Webster, New York.

History

Established in 1961 as a unit of the State University of New York, the College was a vision shared by a handful of industrious and determined business people, community leaders and government officials.

The time was right for MCC. Nationwide, a scattering of community colleges had begun to take root. For people who had been shut out of higher education, a publicly-funded two-year institution in their own community offered exciting new opportunities for growth.

The establishment of the College was led by local physician Dr. Samuel J. Stabins, who recognized the need to prepare students to work in local hospitals and health care facilities, and the first Board of Trustees comprised Rochester's finest professionals in medicine, business, education and law. Leading the way in 1961 was Dr. Alice Holloway Young, founding trustee, board chair and chair emerita.

During the early months of 1962, Dr. Leroy Good was hired by the board as MCC's founding president. Good, who already had successfully established community colleges in three other states, would make his mark in Rochester as well.

The College's first home in Rochester's former East High School at 410 Alexander Street had been condemned by the city as a fire hazard. That did not deter MCC founders who immediately went to work making the necessary renovations. On Sept. 19, 1962, the doors of MCC's original campus swung open and welcomed 720 students. Three years later, in June 1965, MCC became the first college in the nation to receive accreditation within three years of its founding.

In 1968, the College responded to increasing enrollment by moving to a new campus on East Henrietta Road in Brighton. Over the years, MCC became the fastest growing community college in the state, increasing enrollment during the 1980s by more than 41 percent.

In 1991, the College announced plans for a second campus to serve a steady influx of students. The Damon City Campus, named in honor of longtime Trustee E. Kent Damon, opened its doors the following year in downtown Rochester, and educates students in law, criminal justice, human services and k-12 teaching.

To meet the needs of students to juggle college and family, the MCC Child Care Center opened in May of 1991. Certified by the National Association for the Education of Young Children, the center cares for children who are eight weeks to five years old; during the summer, programs serve school-age children up to 11 years old.

In 1997, MCC opened the Applied Technologies Center, a 53,000-square-foot, \$6.4-million facility on West Henrietta Road, serving some of the fastest-growing industries in the nation. About 1,000 full-time and part-time students, many of whom are employed in local industry, learn the latest methods in optical fabrication, precision machining, automotive technology, and heating, ventilation and air conditioning.

In 2002, MCC began comprehensively training the region's first responders in a new 49,000-square-foot, \$26-million regional emergency responder training complex. The Public Safety Training Facility on Scottsville Road, across from the airport, was created through a collaboration of regional emergency response organizations and Monroe County.

In 2003, MCC's Housing and Residence Life program was launched with the dedication of the Alice Holloway Young Commons, named in honor of Dr. Young. In Fall 2007, Canal Hall was added to the commons, which is located on the north side of the Brighton Campus.

In December 2003, responding to the tragedy of Sept. 11th, the College launched its Homeland Security Training Institute to address the educational needs of those across the region faced with responding to natural and intentional disasters.

Three years later, the College answered the County's call to provide education, training and resource development in the agriculture industry. MCC's Agriculture and Life Sciences Institute was launched in January of 2007.

Through the years, MCC has continually grown in degree programs, educational initiatives and facilities to meet the community's diverse needs. The College offers classes in extension sites at area high schools, serves seventh through 12th graders in pre-collegiate programs, and incorporates community activism and service-learning into its courses. Embedded in its history, MCC embraces diversity and inclusion, offering activities and programs to enhance the personal and professional development of faculty, staff and students.

As rooted in its history, MCC will continue to respond to the changing requirements of the local community. Today, the College has served more than a quarter of a million people. In the last several years, MCC welcomed the new Louis S. and Molly B. Wolk Center for Excellence in Nursing and the PAC fitness and recreational facility, and now looks forward to the future of a new downtown campus space in the city of Rochester to meet evolving educational needs of people throughout the region.

College Enrollment, Demand & Tuition

Academic Year	Tuition (Resident)	Tuition (Non-Resident)	Total FTEs	Fall Census	Annual Headcount
2007-08	\$2,800	\$6,009	14,260	17,482	35,223
2008-09	\$2,900	\$6,209	15,131	18,114	35,623
2009-10	\$2,900	\$6,239	16,246	18,977	37,929
2010-11	\$3,000	\$6,239	16,048	18,995	37,301
2011-12	\$3,060	\$6,280	14,686	17,699	35,219
2012-13	\$3,140	\$6,480	14,516	17,296	N/A

Fall Headcount of Credit Students

	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009
Full Time	10,554	10,992	12,152	12,160	11,058
Part Time	6,742	6,707	6,843	6,817	7,056
Percentage Enrolled Full Time	61.0%	62.1%	64.0%	64.1%	61.0%

Fall Credit Student FTEs

	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009
Full Time FTEs	9,776.2	10,200.2	11,258	11,313.3	10,308.9
Part Time FTEs	2,872.5	2,795.9	2,890.8	2,821.2	2,776.1
Percentage of Full Time FTEs	77.3%	78.5%	79.6%	80.0%	78.8%

THE COLLEGE IS NOT LIABLE OR OBLIGATED (GENERALLY, SPECIALLY, MORALLY OR OTHERWISE) TO PAY THE PRINCIPAL OF THE SERIES 2014 BONDS OR THE PREMIUM, IF ANY, OR INTEREST THEREON.

SOURCES AND USES OF BOND PROCEEDS

Proceeds of the Series 2014 Bonds are to be applied as follows:

<u>SOURCES OF FUNDS:</u>	<u>Series 2014A Bonds</u>	<u>Series 2014B Bonds</u>
Principal Amount of Bonds	\$31,615,000.00	\$2,720,000.00
Net Original Issue Premium	1,189,923.15	0.00
	<hr/>	<hr/>
TOTAL SOURCES OF FUNDS:	\$32,804,923.15	\$2,720,000.00
	<hr/> <hr/>	<hr/> <hr/>
<u>USES OF FUNDS:</u>		
Reimbursement Relating to Series 2002 Redemption	\$14,310,164.66	\$0.00
Reimbursement Relating to Series 2006 Redemption	16,625,245.96	0.00
Deposit for SWAP Termination Fee	0.00	1,996,000.00
Deposit to Debt Service Reserve Fund	1,212,031.25	136,000.00
Surety Policy Premium	48,481.25	5,440.00
Bond Insurance Premium	385,094.80	19,962.07
Costs of Issuance	0.00	270,802.50
Other Closing Costs	219,681.22	10,296.78
Underwriter's Discount & Expenses	0.00	279,680.00
Rounding Amount	4,224.01	1,818.65
	<hr/>	<hr/>
TOTAL USES OF FUNDS:	\$32,804,923.15	\$2,720,000.00
	<hr/> <hr/>	<hr/> <hr/>

BONDHOLDERS' RISKS

The following is a discussion of certain risks that could affect payments to be made with respect to the Series 2014 Bonds. Such discussion is not exhaustive, should be read in conjunction with all other parts of this Official Statement and should not be considered as a complete description of all risks that could affect such payments. Prospective purchasers of the Series 2014 Bonds should analyze carefully the information contained in this Official Statement, including the Appendices hereto, and additional information in the form of the complete documents summarized herein, copies of which are available as described in this Official Statement.

General

The Series 2014 Bonds are payable from payments to be made by the Institution under the Loan Agreement. The ability of the Institution to comply with its obligations under the Loan Agreement depends primarily upon the ability of the Institution to continue to attract sufficient College student residents to obtain sufficient revenues to maintain sufficient creditworthiness. The Institution expects that revenues derived from its ongoing operations, together with other available resources, will at all times be sufficient to make the required payments on the Loan Agreement and the Institution will covenant under the Loan Agreement to make all such payments when due. There are certain risks, however, which might prevent the Institution from obtaining sufficient revenues to meet all of its obligations, including its obligations under the Loan Agreement. Purchasers of the Series 2014 Bonds should bear in mind that the occurrence of any number of events could adversely affect the ability of the Institution to generate such revenues. Future economic, demographic and other conditions, including attendance at the College, the demand for student housing and other services, the ability of the Institution to provide the services required by students, economic developments in the Rochester, New York area and competition from other student housing, together with changes in costs, may adversely affect revenues and expenses and, consequently, the ability of the Institution to provide for payments. The future financial condition of the Institution could also be adversely affected by, among other things, legislation and regulatory actions, and a number of other conditions which are unpredictable.

Financial Assistance

The amount of available financial assistance is a significant factor in the decision of many students to attend a particular college or university. Approximately 70% of the College's students receive some form of financial assistance from the College. The level of financial assistance is directly affected by funding levels of federal, state and other financial aid programs. Any significant reduction in the level of financial assistance offered to the College's prospective students could reduce the number of students enrolling at the College and negatively impact utilization of the Institution's facilities and services.

Fund Raising

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

Risks as Employer

The Institution is a major employer, combining a complex mix of technical and clerical support staff, maintenance, food service and other types of workers in a single operation. As with all large employers, the Institution bears a wide variety of risks in connection with its employees. These risks include strikes and other related work actions, contract disputes, discrimination claims, personal tort actions, work-related injuries, exposure to hazardous materials, interpersonal torts (such as between employees or between employees and students) and other risks that may flow from the relationships between employer and employee or between students and employees. Certain of these risks are not covered by insurance, and certain of them cannot be anticipated or prevented in advance.

Changes in Law

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

Tax-Exempt Status Change

Loss of tax-exempt status by the Institution could result in loss of tax exemption of interest on the Series 2014A Bonds and defaults in covenants regarding the Series 2014 Bonds and other related tax-exempt debt would likely be triggered. The maintenance by the Institution of its Section 501(c)(3) tax-exempt status depends, in part, upon compliance with general rules in the Code and related United States Treasury regulations regarding the organization and operation of tax-exempt entities, including their operation for charitable and educational purposes and their avoidance of transactions that may cause their assets to inure to the benefit of private individuals.

Additional Bonds

Additional Bonds may be issued under the Indenture and secured on a parity basis with the Series 2014 Bonds. See "APPENDIX D - Summary of Certain Provisions of the Indenture."

Certain Matters Relating to Enforceability of the Indenture and Loan Agreement

The obligation of the Institution to make payments on the Loan Agreement will be limited as the obligations of debtors typically are affected by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar laws or by equitable principles affecting the enforcement of creditors' rights. The Institution may file for the reduction of its debts in a proceeding under the federal Bankruptcy Code, which could include provisions modifying, eliminating or altering the rights of creditors generally, or any class of them, secured or unsecured. If the Institution should file a plan of reorganization ("Plan"), when confirmed by the court, such Plan binds all creditors who had notice or knowledge of the Plan and discharges all claims against the debtor provided for in the Plan. No Plan may be confirmed unless certain conditions are met, among which are that the Plan is in the best interests of creditors, is feasible and has been accepted by each class of claims impaired thereunder. Each class of claims has accepted the Plan if at least two-thirds in dollar amount and more than one-half in number of the allowed claims of the class that are voted with respect to the Plan are cast in its favor. Even if the Plan is not so accepted, it may be confirmed if the court finds that the Plan is fair and equitable with respect to each class of non-accepting creditors impaired thereunder and does not discriminate unfairly.

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

Bond Insurance Risk Factors

In the event of default of the payment of principal or interest with respect to the Series 2014 Bonds when all or some becomes due, any owner of the Series 2014 Bonds shall have a claim under the applicable Series 2014A Insurance Policy or Series 2014B Insurance Policy for such payments. However, in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. Neither the Series 2014A Insurance Policy nor the Series 2014B Insurance Policy insure against redemption premium, if any. The payment of principal and interest in connection with mandatory or optional prepayment of the Series 2014 Bonds by the Issuer which is recovered by the Issuer from the bond owner as a voidable preference under applicable bankruptcy law is covered by the applicable Series 2014A Insurance Policy or Series 2014B Insurance Policy, however, such payments will be made by the Insurer at such time and in such amounts as would have been due absent such prepayment by the Issuer unless the Insurer chooses to pay such amounts at an earlier date.

Under most circumstances, default of payment of principal and interest does not obligate acceleration of the obligations of the Insurer without appropriate consent. The Insurer may direct and must consent to any remedies and the Insurer's consent may be required in connection with amendments to any applicable Financing Documents.

In the event the Insurer is unable to make payment of principal and interest as such payments become due under the applicable Series 2014A Insurance Policy or Series 2014B Insurance Policy, the Series 2014 Bonds are payable solely from the moneys received pursuant to the applicable Financing Documents. In the event the Insurer becomes obligated to make payments with respect to the Series 2014 Bonds, no assurance is given that such event will not adversely affect the market price of the Series 2014 Bonds or the marketability (liquidity) for the Series 2014 Bonds.

The long-term ratings on the Series 2014 Bonds are dependent in part on the financial strength of the Insurer and its claim paying ability. The Insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the Insurer and of the ratings on the Series 2014 Bonds insured by the Insurer will not be subject to downgrade and such event could adversely affect the market price of the Series 2014 Bonds or the marketability (liquidity) for the Series 2014 Bonds.

The obligations of the Insurer are contractual obligations and in an event of default by the Insurer, the remedies available may be limited by applicable bankruptcy law or state law related to insolvency of insurance companies.

Neither the Issuer, the Institution or Underwriter have made independent investigation into the claims paying ability of the Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the Issuer to pay principal and interest on the Series 2014 Bonds and the claims paying ability of the Bond Insurer, particularly over the life of the investment.

Secondary Market for the Series 2014 Bonds

There can be no assurance that there will be a secondary market for purchase or sale of the Series 2014 Bonds. From time to time there may be no market for the Series 2014 Bonds depending upon prevailing market conditions, including the financial condition or market position of firms who may make the secondary market, the evaluation of the Institution's capabilities and the financial condition and results of operations of the Institution.

CONTINUING DISCLOSURE OBLIGATIONS

The Issuer has determined that no financial or operating data concerning the Issuer is material to any decision to purchase, hold or sell the Series 2014 Bonds and the Issuer will not provide any such information. In accordance with the requirements of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission, the Institution has undertaken all responsibilities for any continuing disclosure to Bondholders as provided below, and the Issuer shall have no liability with respect to such disclosures.

The Institution has covenanted for the benefit of Bondholders to provide certain financial information and operating data relating to the Institution by not later than one hundred fifty (150) days after the close of its fiscal year in each year commencing June 30, 2014 (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events, if material. The Annual Report will be filed with the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule. The specific nature of the information to be contained in the Annual Report or the notices of material events, and the circumstances under which changes to the continuing disclosure undertaking may be made, are contained in the Continuing Disclosure Agreement, a copy of which may be obtained from the Institution upon written request. This undertaking has been made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

The Institution is in compliance with its current continuing disclosure obligations.

Requests for information in connection with this undertaking should be directed to Monroe Community College Association, Brighton Campus, Building 3, Room 126, 1000 East Henrietta Road, Rochester, New York 14623, Attn: Finance Manager (Telephone: (585) 292-2531).

TAX MATTERS

Series 2014A Bonds

Federal Income Taxes

In the opinion of Harris Beach PLLC, Bond Counsel to the Issuer, and subject to the limitations set forth below, under existing statutes, regulations, administrative rulings and court decisions as of the date of such opinion, interest on the Series 2014A Bonds is excluded from gross income for federal income tax purposes, pursuant to Section 103 of the Code. Furthermore, Bond Counsel is of the opinion that interest on the Series 2014A Bonds is not an “item of tax preference” for purposes of computing the federal alternative minimum tax imposed on individuals and corporations. However, interest on the Series 2014A Bonds is included in “adjusted current earnings” for purposes of calculating the federal alternative minimum tax imposed on certain corporations. Corporate purchasers of the Series 2014A Bonds should consult with their tax advisors regarding the computation of any alternative minimum tax liability.

The difference between the principal amount of the Series 2014A Bonds maturing on January 15 in the years 2027 and 2033 (collectively, the “Discount Bonds”) and the initial offering price to the public (excluding bond houses, brokers and other intermediaries, or similar persons acting in the same capacity of underwriters or wholesalers), at which price a substantial amount of such Discount Bonds of the same maturity is first sold, constitutes original issue discount, which is not included in gross income for federal income tax purposes to the same extent as interest on the Discount Bonds. The Code provides that the amount of original issue discount accrues in accordance with a constant interest method based on the compounding of interest, and that the basis of a Discount Bond acquired at such initial offering price by an initial purchaser of such an owner’s adjusted basis for purposes of determining an owner’s gain or loss on the disposition of a Discount Bond will be increased by the amount of such accrued original issue discount. A portion of the original issue discount that accrues in each year to an owner of a Discount Bond that is a corporation will be included in the calculation of such corporation’s federal alternative minimum tax liability. Consequently, a corporate owner of any Discount Bond should be aware that the accrual of original issue discount in each year may result in a federal alternative minimum tax liability, even though the owner of such Discount Bond has not received cash attributable to such original issue discount in such year.

The Series 2014A Bonds maturing on January 15 in the years 2018 through 2026, inclusive, 2028, 2029, and 2038 (collectively, the “Premium Bonds”) are being offered at prices in excess of their principal amounts. As a result of the tax cost reduction requirements of the Code relating to amortization of bond premium, under certain circumstances, an initial owner of Premium Bonds may realize a taxable gain upon disposition of such Premium Bonds even though they are sold or redeemed for an amount equal to such owner’s original cost of acquiring such Premium Bonds. Owners of the Premium Bonds are advised that they should consult with their own advisors with respect to the tax consequences of owning such Premium Bonds.

The Code establishes certain requirements that must be met at and subsequent to the issuance and delivery of the Series 2014A Bonds in order that interest on the Series 2014A Bonds be and remain excluded from gross income for federal income tax purposes, pursuant to Section 103 of the Code. These continuing requirements include certain restrictions and prohibitions on the use of the proceeds of the Series 2014A Bonds and the Project, restrictions on the investment of proceeds and other amounts and the rebate to the United States of certain earnings in respect of such investments. Failure to comply with such continuing requirements may cause the interest on the Series 2014A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Series 2014A Bonds, irrespective of the date on which such noncompliance occurs. In the Indenture, the Loan Agreement, the Tax Compliance Agreement, and accompanying documents, the Issuer and the Institution have covenanted to comply with certain procedures, and have made certain representations and certifications, designed to assure compliance with the requirements of the Code. The opinion of Bond Counsel described above is made in reliance upon, and assumes, continuing compliance with such covenants and procedures and the continuing accuracy, in all material respects, of such representations and certifications.

Bond Counsel expresses no opinion regarding any other federal income tax consequences related to the ownership or disposition of, or the receipt or accrual of interest on, the Series 2014A Bonds. The proposed form of opinion of Bond Counsel is attached hereto as Appendix H.

In addition to the matters referred to in the preceding paragraphs, prospective purchasers of the Series 2014A Bonds should be aware that the accrual or receipt of interest on the Series 2014A Bonds may otherwise affect the federal income tax liability of the recipient. The extent of these other tax consequences may depend upon the recipient's particular tax status or other items of income or deduction. Bond Counsel expresses no opinion regarding any such consequences. Examples of such other federal income tax consequences of acquiring or holding the Series 2014A Bonds include, without limitation, that (i) with respect to certain insurance companies, the Code reduces the deduction for loss reserves by a portion of the sum of certain items, including interest on the Series 2014A Bonds, (ii) interest on the Series 2014A Bonds earned by certain foreign corporations doing business in the United States may be subject to a branch profits tax imposed by the Code, (iii) passive investment income, including interest on the Series 2014A Bonds, may be subject to federal income taxation under the Code for certain S corporations that have certain earnings and profits, and (iv) the Code requires recipients of certain Social Security and certain other federal retirement benefits to take into account, in determining gross income, receipts or accruals of interest on the Series 2014A Bonds. In addition, the Code denies the interest deduction for indebtedness incurred or continued by a taxpayer, including, without limitation, banks, thrift companies, and certain other financial companies to purchase or carry tax-exempt obligations, such as the Series 2014A Bonds. The foregoing is not intended as an exhaustive list of potential tax consequences. Prospective purchasers should consult their tax advisors regarding any possible collateral consequences with respect to the Series 2014A Bonds.

Certain requirements and procedures contained in or referred to in the Indenture, the Loan Agreement, the Tax Compliance Agreement, and other relevant documents may be changed, and certain actions may be taken or omitted subsequent to the date of issue, under the circumstances and subject to the terms and conditions set forth in such documents or certificates, upon the advice of, or with the approving opinion of, a nationally recognized bond counsel. Bond Counsel expresses no opinion as to any tax consequences with respect to the Series 2014A Bonds, or the interest thereon, if such change occurs or action is taken or omitted upon the advice or approval of bond counsel other than Harris Beach PLLC.

State Income Taxes

In the opinion of Bond Counsel, under existing law as of the date of the issuance of the Series 2014A Bonds, interest on the Series 2014A Bonds is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof.

However, noncompliance with any of the federal income tax requirements set forth above resulting in the interest on the Series 2014A Bonds being included in gross income for federal tax purposes would also cause such interest to be subject to personal income taxes imposed by the State of New York and any political subdivision thereof.

Bond Counsel expresses no opinion regarding any other state or local tax consequences related to the ownership or disposition of, or the receipt or accrual of interest on, the Series 2014A Bonds.

Interest on the Series 2014A Bonds may or may not be subject to state or local income taxes in jurisdictions other than the State of New York under applicable state or local tax laws. Bond Counsel expresses no opinion as to the tax treatment of the Series 2014A Bonds under the laws of such other state or local jurisdictions. Each purchaser of the Series 2014A Bonds should consult his or her own tax advisor regarding the taxable status of the Series 2014A Bonds in a particular jurisdiction other than the State of New York.

Other Considerations

Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or omitted) or any events occurring (or not occurring) after the date of issuance of the Series 2014A Bonds may adversely affect the value of, or the tax status of interest on, the Series 2014A Bonds.

No assurance can be given that any future legislation, including amendments to the Code or the State income tax laws, regulations, administrative rulings, or court decisions, will not, directly or indirectly, cause interest on the Series 2014A Bonds to be subject to federal or State income taxation, or otherwise prevent Bondholders from realizing the full current benefit of the tax status of such interest. Further, no assurance can be given that the introduction or enactment of any such future legislation, or any judicial decision or action of the Internal Revenue Service or any State taxing authority, including, but not limited to, the promulgation of a regulation or ruling, or the selection of the Series 2014A Bonds for audit examination, or the course or result of any Internal Revenue Service examination of the Series 2014A Bonds or of obligations which present similar tax issues, will not affect the market price or marketability of the Series 2014A Bonds. For example, President Obama has released various legislative proposals that would limit the extent of the exclusion from gross income of interest on obligations of states and political subdivisions under Section 103 of the Code (including the Series 2014A Bonds) for taxpayers whose income exceeds certain threshold levels. No prediction is made as to whether any such proposals will be enacted. Prospective purchasers of the Series 2014A Bonds should consult their own tax advisors regarding the foregoing matters.

All quotations from and summaries and explanations of provisions of law do not purport to be complete, and reference is made to such laws for full and complete statements of their provisions.

ALL PROSPECTIVE PURCHASERS OF THE SERIES 2014A BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE AS TO THESE AND OTHER FEDERAL AND STATE TAX CONSEQUENCES, AS WELL AS ANY LOCAL TAX CONSEQUENCES, OF PURCHASING OR HOLDING THE SERIES 2014A BONDS.

Series 2014B Bonds

General

The following discussion summarizes certain United States (“U.S.”) federal tax considerations generally applicable to holders of the Series 2014B Bonds that acquire the Series 2014B Bonds in the initial offering. The discussion below is based upon laws, regulations, rulings, and decisions in effect and available on the date hereof, all of which are subject to change, and any such change could have retroactive effect. Prospective investors should also note that no rulings have been or are expected to be sought from the Internal Revenue Service (the “IRS”) with respect to any of the U.S. federal income tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following discussion does not deal with all U.S. federal income tax consequences applicable to any given investor, nor does it address the U.S. federal income tax considerations applicable to categories of investors some of which may be subject to special taxing rules (regardless of whether or not such persons constitute U.S. Holders), such as certain U.S. expatriates, financial institutions, real estate investment trusts, regulated investment companies, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, S corporations, estates and trusts, persons holding the Series 2014B Bonds as a hedge against currency risks or as a position in a “straddle” for tax purposes, or investors whose “functional currency” is not the U.S. dollar. Furthermore, it does not address (i) alternative minimum tax consequences or (ii) the indirect effects on persons who hold equity interests in a holder. In addition, this summary generally is limited to investors that acquire the Series 2014B Bonds pursuant to this initial offering for the issue price that is applicable to such Series 2014B Bonds (i.e., the price at which a substantial amount of the Series 2014B Bonds are sold to the public) and who will hold the Series 2014B Bonds as “capital assets” within the meaning of Section 1221 of the Code.

As used herein, “U.S. Holder” means a beneficial owner of a Series 2014B Bond that for U.S. federal income tax purposes is an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation regardless of its source or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust).

As used herein, “Non-U.S. Holder” generally means a beneficial owner of a Series 2014B Bond (other than a partnership) that is not a U.S. Holder. If a partnership holds Series 2014B Bonds, the tax treatment of such partnership or a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partnerships holding Series 2014B Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the Series 2014B Bonds (including their status as U.S. Holders or Non-U.S. Holders).

U.S. Holders

Interest on Series 2014B Bonds. Payments of interest on the Series 2014B Bonds will be included in gross income for U.S. federal income tax purposes by a U.S. Holder as ordinary income at the time the interest is paid or accrued in accordance with the U.S. Holder’s regular method of accounting for tax purposes, provided such interest is “qualified stated interest,” as defined below.

Disposition of Series 2014B Bonds. Except as discussed above, upon the sale, exchange, redemption or retirement of a Series 2014B Bond, a U.S. Holder generally will recognize taxable gain or loss equal to the difference between the amount realized on the sale, exchange, redemption or retirement (other than amounts representing accrued and unpaid interest) of such Series 2014B Bond and such U.S. Holder’s adjusted tax basis in such Bond. A U.S. Holder’s adjusted tax basis in a Series 2014B Bond generally will equal such U.S. Holder’s initial investment in the Series 2014B Bond increased by accrued market discount, if any, if the U.S. Holder has included such market discount in income, and decreased by the amount of any payments, other than qualified stated interest payments, received and amortizable bond premium taken with respect to such Series 2014B Bond. Such gain or loss generally will be long-term capital gain or loss if the Series 2014B Bond has been held by the U.S. Holder at the time of disposition for more than one year. If the U.S. holder is an individual, long-term capital gain will be subject to reduced rates of taxation. The deductibility of capital losses is subject to certain limitations.

Non-U.S. Holders

A Non-U.S. Holder who is an individual or corporation (or an entity treated as a corporation for U.S. federal income tax purposes) holding Series 2014B Bonds on its own behalf will not be subject to U.S. federal income tax on payments of principal of, or premium (if any), or interest (including original issue discount, if any) on Series 2014B Bonds, unless the Non-U.S. Holder is a bank receiving interest described in Section 881(c)(3)(A) of the Code. To qualify for the exemption from taxation, the Withholding Agent, as defined below, must have received a statement from the individual or corporation that:

- is signed under penalties of perjury by the beneficial owner of the Series 2014B Bonds,
- certifies that the owner is not a U.S. holder, and
- provides the beneficial owner’s name and permanent residence address.

A “Withholding Agent” is the last U.S. payor (or non-U.S. payor who is a qualified intermediary, U.S. branch of a foreign person or withholding foreign partnership) in the chain of payment prior to payment to a non-U.S. holder (which itself is not a Withholding Agent). Generally, this statement is made on an IRS Form W-

8BEN (“W-8BEN”), which is effective for the remainder of the year of signature plus three full calendar years thereafter, unless a change in circumstances makes any information on the form incorrect. Notwithstanding the preceding sentence, a Form W-8BEN with a U.S. taxpayer identification number will remain effective until a change in circumstances makes any information on the form incorrect, provided the Withholding Agent reports at least annually to the beneficial owner on IRS Form 1042-S. The beneficial owner must inform the Withholding Agent within 30 days of any change and furnish a new Form W-8BEN. A Non-U.S. Holder that is not an individual or corporation (or an entity treated as a corporation for U.S. federal income tax purposes) holding Series 2014B Bonds on its own behalf may have substantially increased reporting requirements. In particular, in the case of Series 2014B Bonds held by a foreign partnership or foreign trust, the partners or beneficiaries rather than the partnership or trust will be required to provide the certification discussed above, and the partnership or trust will be required to provide certain additional information.

A Non-U.S. Holder of Series 2014B Bonds whose income from such Series 2014B Bonds is effectively connected with the conduct of a U.S. trade or business generally will be taxed as if the holder were a U.S. Holder, provided the holder furnishes to the Withholding Agent a Form W-8ECI.

Certain securities clearing organizations, and other entities that are not beneficial owners may be able to provide a signed statement to the Withholding Agent. In that case, however, the signed statement may require a copy of the beneficial owner’s Form W-8BEN (or substitute form).

Generally, a Non-U.S. Holder will not be subject to U.S. federal income tax on any amount that constitutes capital gain upon retirement or disposition of Series 2014B Bonds, unless the Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of the retirement or disposition of such Series 2014B Bonds, and that gain is derived from sources within the United States. Certain other exceptions may apply, and a Non-U.S. Holder in these circumstances should consult his tax advisor.

Series 2014B Bonds will not be includible in the estate of a Non-U.S. Holder unless, at the time of the decedent’s death, income from such Series 2014B Bonds was effectively connected with the conduct by the decedent of a trade or business in the United States.

Information Reporting and Backup Withholding

Backup withholding of U.S. federal income tax may apply to payments made in respect of the Series 2014B Bonds to registered owners who are not “exempt recipients” and who fail to provide certain identifying information (such as the registered owner’s taxpayer identification number) in the required manner. Generally, individuals are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients. Payments made in respect of the Series 2014B Bonds to a U.S. Holder must be reported to the IRS, unless U.S. Holder is an exempt recipient or establishes an exemption. Compliance with the identification procedures described in the preceding section would establish an exemption from backup withholding for those Non-U.S. Holders who are not exempt recipients.

In addition, upon the sale of a Series 2014B Bond to (or through a broker, the broker must report the sale and withhold the entire purchase price, unless either (i) the broker determines that the seller is a corporation or other exempt recipient or (ii) the seller certifies that such seller is a Non-U.S. Holder (and certain other conditions are met). Certification of the registered owner’s Non-U.S. status would be made normally on an IRS Form W-8BEN under penalties of perjury, although in certain cases it may be possible to submit other documentary evidence.

Defeasance

Under the terms of the Indenture, the Series 2014B Bonds may be legally defeased prior to their stated maturity. Prospective purchasers of Series 2014B Bonds should be aware that, for U.S. federal income tax purposes, any such legal defeasance will be treated as a taxable exchange of such Series 2014B Bonds on which

gain or loss, if any, will be recognized without any corresponding receipt of cash. In addition, after a legal defeasance, the timing and character of amounts includable in gross income by a holder of Series 2014B Bonds could differ from the timing and character of the amounts that would have been includible in gross income in respect of such Series 2014B Bonds had the legal defeasance not occurred. Prospective purchasers of the Series 2014B Bonds should consult their own tax advisors with respect to the more detailed consequences to them of a legal defeasance, including the applicability and effect of tax laws other than U.S. federal income tax laws.

IRS Circular 230 Disclosure

The advice under this TAX MATTERS concerning certain federal income tax consequences of the acquisition, ownership and disposition of the Series 2014B Bonds, was written to support the marketing of the Series 2014B Bonds. To ensure compliance with requirements imposed by the IRS, Bond Counsel informs you that (i) any federal tax advice contained in this Official Statement (including any Appendices) or in writings furnished by Bond Counsel is not intended to be used, and cannot be used by any bondholder, for the purpose of avoiding penalties that may be imposed on the bondholder under the Code, and (ii) each bondholder should seek advice based on such bondholder's particular circumstances from an independent tax advisor.

INDEPENDENT AUDITORS

The financial statements for the Institution as of and for the Year Ended June 30, 2013, set forth in Appendix B of this Official Statement, have been audited by EFP Rotenberg, LLP, independent auditors, as set forth in their report thereon appearing in Appendix B of this Official Statement.

RATINGS

Standard and Poor's Ratings Services is expected to assign the Series 2014 Bonds the rating "AA" (Stable outlook) based on the understanding that the Series 2014A Insurance Policy and the Series 2014B Insurance Policy issued by the Insurer will insure the payment of the principal of and interest due with respect to the Series 2014A Bonds and Series 2014B Bonds, respectively by the Insurer. In addition, Standard and Poor's Ratings Services is expected to assign the Series 2014 Bonds an underlying rating of "BBB" (stable) without regard to the Series 2014A Insurance Policy or the Series 2014B Insurance Policy. Such ratings reflect only the views of such organization and any desired explanation of the significance of such ratings should be obtained from Standard and Poor's Ratings Services at 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 all of such rating agencies if, in the judgment of any or all 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 2014 Bonds.

LITIGATION

The Issuer

There is not now pending nor, to the knowledge of the Issuer, threatened any litigation questioning or affecting the validity of the Series 2014 Bonds or the proceedings or authority under which the Series 2014 Bonds were issued. Neither the creation, organization or existence of the Issuer nor the title of any of the present members or other officers of the Issuer to their respective offices is being contested. There is no litigation pending or, to its knowledge, threatened which in any manner questions the right of the Issuer to execute and deliver the Indenture or the Loan Agreement.

The Institution

There is not now pending nor, to the knowledge of the Institution, threatened any litigation restraining or enjoining the execution or delivery of the Financing Documents to which the Institution is a party or questioning or affecting the validity of such documents or the proceedings or authority under which such documents were authorized or delivered. Neither the creation, organization or existence of the Institution nor the title of any of the present members or other officers of the Institution to their respective offices is being contested. There is no litigation pending or, to its knowledge, threatened which in any manner questions the right of the Institution to enter into the Financing Documents to which the Institution is a party or which would have a material adverse effect on the ability of the Institution to meet its obligations under the Loan Agreement.

LEGAL MATTERS

All legal matters incident to the authorization and validity of the Series 2014 Bonds are subject to the approval of Harris Beach PLLC, Bond Counsel, whose approving opinion will be delivered with the Series 2014 Bonds. Certain legal matters will be passed upon for the Issuer by Harris Beach PLLC. Certain legal matters will be passed upon for the Institution by Harter Secrest & Emery LLP. Certain legal matters will be passed upon for the Underwriter by Trespasz & Marquardt, LLP.

UNDERWRITING

The Underwriter has agreed, subject to certain conditions, to purchase the Series 2014 Bonds from the Issuer. The Underwriter's obligations are subject to certain conditions precedent, and, if these conditions are met, the Underwriter will be obligated to purchase all the Series 2014 Bonds if any of the Series 2014 Bonds are delivered at a purchase price of \$35,245,243.15 which represents the par amount of the Series 2014 Bonds plus a premium of \$1,189,923.15 less the Underwriter's Discount (including Underwriter's costs) of \$279,680.00. The Series 2014 Bonds may be offered and sold to certain dealers (including dealers depositing such Bonds into unit investment trusts) at prices lower than the public offering prices as set forth on the inside cover page hereof. The initial public offering prices may be changed from time to time by the Underwriter.

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of such opinions or estimates will be realized. Neither this Official Statement nor any statement which may have been made orally or in writing with regard to the Series 2014 Bonds is to be construed as a contract with the holders of the Series 2014 Bonds.

[the balance of this page is intentionally blank]

MONROE COUNTY INDUSTRIAL DEVELOPMENT CORPORATION

By: /s/ Judith Seil
Judith Seil, Executive Director

MONROE COMMUNITY COLLEGE ASSOCIATION, INC.

By: /s/ Virginia Geer-Mentry
Virginia Geer-Mentry, Director

APPENDIX – A

CERTAIN INFORMATION CONCERNING THE INSTITUTION

THE INSTITUTION

Monroe Community College Association, Inc. (the “Institution”) is a not-for-profit corporation duly organized and existing under the laws of the State of New York. The Institution is an organization that is exempt from federal income tax pursuant to §501(c)(3) of the Internal Revenue Code of 1986, as amended. The Institution was established to supplement, advance and enrich the educational, social, cultural and recreational welfare of the students, alumni, faculty and staff of Monroe Community College (the “College”) and construct, operate and maintain educational, social, cultural, research, recreational, eating and living facilities for the students, alumni, faculty and staff of the College.

The Institution provides financial and management support for many student services at the College. In particular, an agreement made as of September 1, 1975 (the “Services Agreement”) calls for the Institution to operate the Monroe Community College Bookstores, the Child Care Center, Athletics, Co-Curricular Programs, campus food services, the campus shuttle and parking services. Under the Services Agreement, the College provides the Institution with sufficient rent-free space and facilities to carry on the services. The Institution is required to prepare an annual budget for the services and an annual budget governing the expenditure of net income from the services provided. Under the Services Agreement, these budgets, which include projected revenues and profits, must be approved by the College President or his/her designee. Once approved, the College sets and collects on behalf of the Institution student activity fees to further supplement the Institution’s approved budgets. The Services Agreement may be terminated by either party on August 31 of any year provided that at least six months notice in writing of such impending termination has been given to or served upon the other party.

In addition to the services provided pursuant to the Services Agreement, the Institution owns and operates the College’s only on-campus student residences. These four student residences are located on the College’s Brighton campus. While the Institution owns, operates and staffs the student residences, it contracts with the College for cleaning, maintenance and security services. See “Student Housing at Monroe Community College,” below and “APPENDIX B – Audited Financial Statements of the Institution for the Fiscal Years Ended June 30, 2013 and 2012.”

Institution Management

The Institution is administered by a Board of Directors consisting of twelve voting members: five are student representatives; two are elected by the Faculty Senate of the College; three represent the Administration of the College; one is elected by the Civil Service staff of the College; and one is designated by the Alumni Association of the Monroe Community College Foundation. The Institution’s budget is subject to the approval of the President of the College and the financial statements of the Institution are included in the College’s financial statements. In addition, the College collects and remits to the Institution, student financial aid that is collected on behalf of the Institution for revenues generated by the Institution’s Bookstore and Residence Halls.

Located in the College’s Campus center, the Institution’s Business Office handles the daily transactions necessary to ensure efficient operation of the above-listed organizations, as well as the Campus Center Information and Service Desk. The Institution’s Board of Directors provides the oversight, guidance and direction for this organization.

Board of Directors

G. Christopher Belle-Isle, Board Chair
Nelson Clark, Board Vice Chair
Randyll Bowen, Board Member
Brian Legg, Board Member
Christine Abbott, Board Member
Jessica Barone, Board Member
Adrian Hale, Board Member
Sue Rock-McCrossen, Board Member
Janette McGimsey, Board Member
Justin Freedom, Board Member
Glenn Rapp, Board Member
Elizabeth Stewart, Board Member
Dr. Ann Topping, Board Member
Lisa Wallace, Board Member
Krystal Crawford, Board Member
Virginia Geer-Mentry, Secretary
Todd Garnier, Treasurer
Maryjane Starr, Recording Secretary

Senior Management

Virginia (Ginny) Geer-Mentry is the Director of the Institution. Ms. Geer-Mentry came to the Institution in 2011 after working at Finger Lakes Community College for 3 years as the Executive Director of Finger Lakes Community College Association, Inc. Prior to that, Ms. Geer-Mentry worked at the State University of New York at Geneseo as the Dining Services Director. Ms. Geer-Mentry is currently the Secretary/Treasurer of SASA, The State Association of SUNY Auxiliary Services, and is active in the National Association of Auxiliary Services. Ms. Geer-Mentry received a BA from SUNY Geneseo in Geneseo, New York and an MBA from Medaille College in 2007.

Todd Garnier is the Finance Manager for the Institution. Mr. Garnier came to the Institution in 2012 after working at Stanford University and Rochester Institute of Technology. Mr. Garnier worked at RIT for more than a decade. Most recently he served as the Director of Business and Finance in Stanford's Office of Facilities Planning and Management. Mr. Garnier received a BS in Accounting in 1996 from SUNY's Empire State College in Rochester, New York and an MBA from St. John Fisher College in 2000.

Amy Greer is the Director for Housing and Residence Life at Monroe Community College. Ms. Greer has been part of the Residence Life program for 7 years, becoming Director in September 2013. Ms. Greer services the College on the Title IX team as a Deputy, the Financial Aid Course Eligibility Team as a Leader, and she created the first ever residence life orientation program at a community college. Previous to MCC, Ms. Greer worked at St. John Fisher College for two years in residence life. She obtained her M.A. in Counseling Services from Rider University in New Jersey and her B.S. in Criminal Justice Administration from Mansfield University of Pennsylvania.

Financial Profile

Fiscal Year

The Institution's fiscal year runs from July 1 through June 30.

Accounting

The accounting firm of EFP Rotenberg, LLP of Rochester, New York provides independent auditing services to the Institution.

Balance Sheet (as of 6/30/13)

- Cash & Investments of \$19,006,149
- Total Net Assets of \$11,762,035
- Bonds Payable of \$31,435,000 (to be currently refunded and retired by the Series 2014A Bonds on April 10, 2014)

Income Statement (fiscal year ending 6/30/2013)

- Total revenue was \$20,812,093
- Total expenses were \$19,541,985
- The Institution recorded a change in net assets of \$2,134,417, including temporarily and permanently restricted contributions.
- The surplus from operations was \$1,270,108

Bookstores

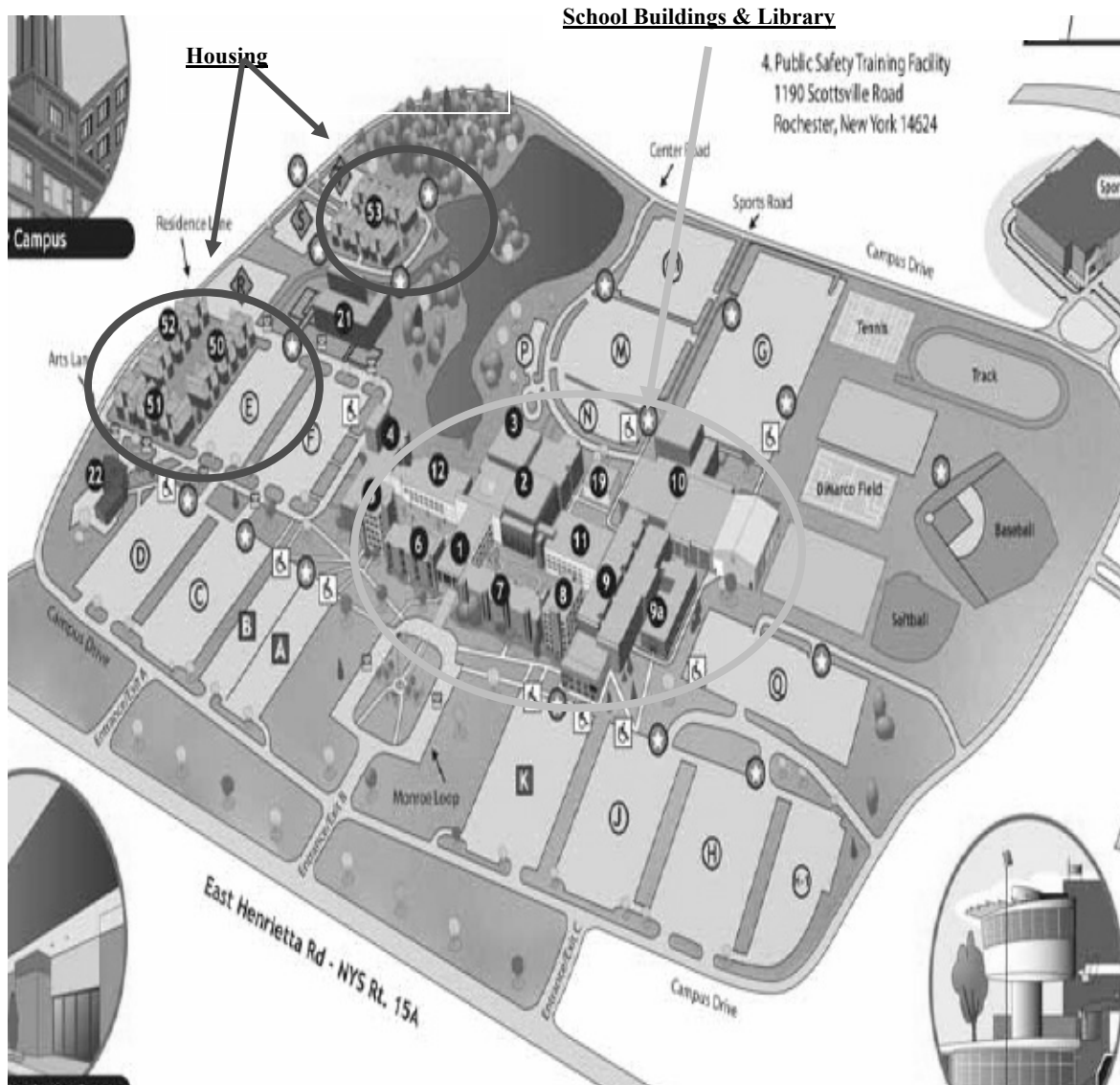
The Bookstores at the College's Brighton and Damon City campuses are operated by the Institution pursuant to the Services Agreement and provide the Institution with a significant source of revenue. In addition to required textbooks, the Bookstores sell paperbacks and magazines, calculators, school and stationary supplies, software, sportswear, candy, greeting cards, and other items. Under the Services Agreement, Bookstore profits are used by the Institution to fund projects and activities that enhance student life. These projects include the Human Performance Lab equipment, lounge furniture, the soccer/lacrosse turf field, the blue light system and contributions to the construction of the new Campus Center.

Student Housing at Monroe Community College

The Institution own and operates the College's only on-campus student housing, four residential halls on the Brighton campus that are all within walking distance of classes. In total, the Institution offers housing for up to 772 students. Each apartment suite is furnished and includes private bedrooms, kitchen, living room, and bathroom. Other features include high-speed internet access, cable TV, and utilities Included. Each hall has coin-operated laundry machines on the first floor.

[balance of page intentionally left blank]

Student Housing on Campus



Student Housing History

The Alice Holloway Young Residence Halls opened for the first time in 2003. This complex includes four dormitory halls named Alexander Hall, Canal Hall, Pioneer Hall, and Tribune Hall. Alice Holloway Young, one of the first African-American teachers, joined the Rochester City School District in 1952. She became a trustee of MCC in 1961 and helped establish the college's vision. The College felt that it should honor all of Dr. Young's contributions in the new student housing complex.

ALEXANDER HALL



History

Alexander Hall was built in 2002 and opened in the fall of 2003.

Building Information

Residents:	Co-Ed building with 132 maximum residents
Room Configuration:	33 four-person suites (all single bedrooms)
Number of Floors:	3 floors
Laundry:	Coin and Card operated machines located on the first floor
Common Lobby Area:	Located on the first floor, includes cable TV, 24 hour access to recreational equipment, vending machines (snack and beverage), and study area
Mailboxes:	Located on the first floor, all mail/packages are delivered right to the building
Garbage/Recycling:	Located on the first floor, rooms are painted and containers are color coded
Security:	Building is locked 24/7 with resident card access only, security cameras in common areas
Staff:	Overnight desk staff from 6pm-6am. 1 full time professional Resident Director, 3 student Resident Assistants
Other:	Elevator available, non-smoking and substance free

EAST, CENTRAL, AND WEST CANAL HALLS



History

This large, connected building was built in 2006 and opened in the Fall of 2007. It takes its name from the Erie Canal, a 348 mile waterway completed in 1825 that contributed to making New York the Empire State. Boom towns sprung up because the waterway connected Buffalo, Rochester, Syracuse, Utica and Albany with New York City. The 20th century version of the canal runs just beyond the northeast side of the campus and acts as a scenic pathway for hikers and bikers.

Building Information

Residents:	Co-ed building with 366 maximum residents
Room Configuration:	5 person suites (2 double bedrooms, 1 single bedroom) 4 person suites (2 double bedrooms)
Number of Floors:	3 floors, 3 connected buildings
Laundry:	Coin and Card operated machines located on the first floor
Common Lobby Area:	Located on the first floor, includes cable TV, 24 hour access to recreational equipment, vending machines (snack and beverage), conference room and study
Mailboxes:	Located on the first floor, all mail/packages are delivered right to the building
Garbage/Recycling:	Located on the first floor, rooms are painted and containers are color coded
Security:	Building is locked 24/7 with resident card access only, security cameras in common areas
Staff:	Overnight desk staff from 6pm-6am. 2 full time professional Resident Directors, 11 student Resident Assistants
Other:	Elevator available, non-smoking and substance free

PIONEER HALL



History

Pioneer Hall was built in 2002 and opened in the Fall of 2003. It is named for Leroy V. Good, the College's founding president. Good was a *pioneer* in successfully establishing community colleges in three other states before bringing his talents to the College.

Building Information

Residents:	Co-ed building with 137 maximum residents
Room Configuration:	5 - 5 person suites (2 double bedrooms, 1 single bedroom) 28 - 4 person suites (2 double bedrooms)
Number of Floors:	3 floors
Laundry:	Coin and Card operated machines located on the first floor
Common Lobby Area:	Located on the first floor, includes cable TV, 24 hour access to recreational equipment, vending machines (snack and beverage), conference room and study
Mailboxes:	Located on the first floor, all mail/packages are delivered right to the building
Garbage/Recycling:	Located on the first floor, rooms are painted and containers are color coded
Security:	Building is locked 24/7 with resident card access only, security cameras in common areas
Staff:	Overnight desk staff from 6pm-6am. 1 full time professional Resident Director, 3 student Resident Assistants
Other:	Elevator available, non-smoking and substance free

TRIBUNE HALL



History

Tribune Hall was built in 2002 and opened in the Fall of 2003. It shares its name with the College's athletic teams, which are known as the Tribunes. This name was selected by popular vote amongst students and faculty in the early years of the college. The team mascot is derived from the Roman officials who were defenders of the people.

Building Information

Residents:	Co-ed building with 137 maximum residents
Room Configuration:	5 - 5 person suites (2 double bedrooms, 1 single bedroom) 28 - 4 person suites (2 double bedrooms)
Number of Floors:	3 floors
Laundry:	Coin and Card operated machines located on the first floor
Common Lobby Area:	Located on the first floor, includes cable TV, 24 hour access to recreational equipment, vending machines (snack and beverage), conference room and study
Mailboxes:	Located on the first floor, all mail/packages are delivered right to the building
Garbage/Recycling:	Located on the first floor, rooms are painted and containers are color coded
Security:	Building is locked 24/7 with resident card access only, security cameras in common areas
Staff:	Overnight desk staff from 6pm-6am. 1 full time professional Resident Director, 3 student Resident Assistants
Other:	Elevator available, non-smoking and substance free

Facility Management

The Institution operates and staffs the residences, but contracts with the College for facilities maintenance and security services.

Residence Life

The College's Department of Housing and Residence Life is committed to enriching the educational experience at Monroe Community College through providing a quality living-learning environment to a diverse community. Resident students have the chance to interact with other students, staff and faculty to build a diverse living and learning community that will complement their educational experiences and contribute to their overall development as a college student. Co-curricular programs and activities, sporting events and cultural performances are held on campus during the evening and weekends. In addition, each residential hall has a common room with vending machines, cable TV, and a study area.

Housing and Residence Life has partnered with Time Warner Cable to offer all resident student basic cable to all residents at no additional fee. Parking permits for residential students can be purchased for an additional fee during check in and throughout the semester. Throughout the year the Residence Life Team helps put on events to keep the residents busy and entertained.

Students can also enjoy on campus clubs and organizations. Under the umbrella of the Student Government Association, the College offers over 60 chartered clubs and organizations. Academic, cultural, recreational, religious, special interest and professional/honor societies make up the selection available. Joining a club or organization provides students with the opportunity to explore their interests, meet people, and develop valuable leadership and organizational skills while having fun along the way.

Intramurals are also a big part of residential life. In addition to competitive sports, students can participate in various fitness classes at the College's fitness center. Students are also welcome to enjoy recreational sports on campus such as open soccer, open volleyball, open swim, disc golf, and racquetball.

Students who live on the Brighton Campus are offered a wide array of dining choices provided by Sodexo.

- The MarketPlace, located in the R. Thomas Flynn Campus Center, Bldg. 3, 2nd Floor is open Monday through Thursday, 7:30 am to 6:00 p.m. and Friday until 3:00 p.m.
- Cafe Sorelle is located in the North Atrium at the intersection of Buildings 4 and 12. Open from 7:30 a.m. - 7:30 p.m. Monday through Thursday, and 7:30 a.m. to 2:30 p.m. on Friday. Sorelle's offers gourmet coffees and teas, assorted beverages and freshly baked goods.
- Reflections, MCC's student operated restaurant, is located in Building 3 and is open from 11:30 a.m. - 1:30 p.m. Monday through Thursday beginning the third week of each semester.
- Javas Coffee Bar is open in the Brick Lounge in Building 1 Monday through Thursday from 7:00 a.m. to 8:00 p.m., and Friday from 7:00 a.m. - 4:00 p.m. and offers a wide selection of gourmet coffees and teas, smoothies and freshly baked goods.

Safety

The Public Safety Department provides security to the College's on campus residents 24 hours a day. Emergency phone stations, new smoke alarm systems, and cameras are stationed around the campus for added security. Residential Assistants (RAs) are also inside the residential buildings 24 hours a day.

Fall Occupancy

Fall Occupancy has historically been 100% as the table below illustrates.

Fall	2013	2012	2011	2010	2009
Maximum Capacity	772	772	772	772	772
Total Occupancy	772	772	772	772	772
Occupancy Rate	100.0%	100.0%	100.0%	100.0%	100.0%

Spring Occupancy

Spring Occupancy has historically averaged approximately 95% to 99% as the table below illustrates.

Spring	2014	2013	2012	2011	2010
Maximum Capacity	772	772	772	772	772
Total Occupancy	755	756	750	737	764
Occupancy Rate	97.79%	97.9%	97.1%	95.4%	98.9%

Summer Occupancy

Summer occupancy by students has historically been minimal. However, the Institution has generated additional summer revenues of as much as \$204,000 by leasing space to outside groups, including USA Hockey, Howe (Select) Hockey and First Baptist Church. In the summer of 2014, the Institution projects revenues of \$40,000 from renting housing to outside groups.

Rental Rates per Semester

	2013-14	2012-13	2011-12	2010-11	2009-10
Single	\$3,395	\$3,375	\$3,300	\$3,250	\$3,200
Double	\$2,995	\$2,975	\$2,900	\$2,850	\$2,800
Single – Summer	\$550-\$670	\$670	\$670	\$670	\$670
Double – Summer	N/A	\$550	\$550	\$550	\$550

Demographic Information about Residential Students

	Fall 2013	Fall 2012	Fall 2011	Fall 2010
Total	772	770	765	770
Female	408	415	411	412
Male	364	355	354	358
Athletes	116	116	116	116

In the Fall of 2013, the College's residence halls housed students from 46 of New York State's 62 counties. The origin counties with the most students residing on campus were Monroe (115), Onondaga (89) and Erie (42). In addition, 49 resident students are from the five boroughs of New York City, 37 resident students are international students and 54 are from other states in the US.

The majority of residential students are between the ages of 18 and 20. The age distribution is shown in the table below.

Age	Fall 2013	Fall 2012	Fall 2011	Fall 2010
16-17	66	58	61	16
18	350	361	349	354
19	215	201	220	253
20	78	89	90	98
21	33	31	25	34
22+	30	30	21	49

Bond Financing

The Institution served as the obligor for the Series 2002 Bonds and Series 2006 Bonds, the proceeds of which financed Phase I and Phase II of the construction of the College's residence hall buildings. The proceeds of the Series 2014A Bonds will be applied to redeem and retire both of these issues on April 10, 2014.

Financial Covenants

Debt Service Coverage Ratio

The Institution covenants in the Loan Agreement to maintain during each Fiscal Year a Debt Service Coverage Ratio of 1.20:1.00, commencing with the Fiscal Year ending June 30, 2015. For purposes of calculating the Debt Service Coverage Ratio for such pro forma calculations, Annual Debt Service shall be equal to projected Maximum Annual Debt Service on the outstanding Series 2014 Bonds and any Additional Bonds. Pursuant to the Indenture, such calculation shall take into account any Policy Costs due and owing.

Under the Loan Agreement, on or prior to each Reporting Date, the Institution is required to file with the Insurer and the Trustee a certificate of an Authorized Officer of the Institution stating whether at the immediately preceding Testing Date the Debt Service Coverage Ratio requirement is satisfied and setting forth the calculation upon which such statement is based.

If the certificate required above shows that at any time the Debt Service Coverage Ratio as required above, as derived from the most recent Audited Financial Statements, is not satisfied, the Institution covenants to retain a Consultant within thirty (30) days after the date the Audited Financial Statements become available, to make recommendations to achieve a Debt Service Coverage Ratio in the following Fiscal Year of not less than 1.20:1.00. Any Consultant so retained shall be required to submit such recommendations to the Insurer and the Trustee within forty-five (45) days after being so retained. The Institution agrees that it shall, to the maximum extent permitted by law, follow the recommendations of the Consultant. So long as a Consultant shall be retained and the Institution shall follow such Consultant's recommendations to the extent permitted by law, this covenant shall be deemed to have been complied with even if the Debt Service Coverage Ratio for any such Fiscal Year was below the required level.

In accordance with the Loan Agreement, a failure of the Institution to observe, perform or maintain a Debt Service Coverage Ratio of not less than 1.00:1.00 for any Fiscal Year shall immediately constitute an Event of Default in accordance with the Loan Agreement. See "APPENDIX E - Summary of Certain Provisions of the Loan Agreement and Pledge and Assignment."

The table below shows the actual and projected debt service coverage generated by the student housing projects and the Institution.

	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Budgeted 2014
Housing Only	1.7x	1.7x	1.4x	1.3x	1.0x
Institution	2.9x	2.7x	2.0x	2.0x	1.7x

Balance Sheet Maintenance Covenant

The Institution has covenanted in the Loan Agreement to maintain as of the end of each Fiscal Year a ratio of Unrestricted Net Assets to Operating Expenses of at least 0.30, computed upon the completion and availability of the Institution's audited financial statements produced in accordance with generally accepted accounting principles then applicable to the Institution (the "Audited Financial Statements").

For this purpose, "Unrestricted Net Assets" is defined by the Loan Agreement to mean total "Net Assets" (as shown in the Audited Financial Statements) not otherwise invested in capital assets (net of related debt) or permanently restricted, as displayed or included in the Institution's Audited Financial Statements; and "Operating Expenses" means total unrestricted operating expenses as displayed or included in the Institution's Audited Financial Statements, provided, for purposes of this definition, Operating Expenses shall include depreciation, amortization, provisions for bad debt and interest expense and shall include deposits to the Replacement Fund.

On or prior to each Reporting Date, the Institution shall file with the Insurer and the Trustee a certificate of an Authorized Officer of the Institution stating whether at the immediately preceding Testing Date the ratio of Unrestricted Net Assets to Operating Expenses for the most recent Fiscal Year is satisfied and setting forth the calculation upon which such statement is based.

If the certificate required above shows that the ratio of Unrestricted Net Assets to Operating Expenses as required above, as derived from the most recent Audited Financial Statements, is not satisfied, the Institution covenants to retain a Consultant (as defined in the Loan Agreement) within thirty (30) days after the date the

Audited Financial Statements become available, to make recommendations to achieve a ratio of Unrestricted Net Assets to Operating Expenses in the following Fiscal Year equal to or greater than the level required above. Any Consultant so retained shall be required to submit such recommendations to the Insurer and the Trustee within forty-five (45) days after being so retained. The Institution agrees that it shall, to the maximum extent permitted by law, follow the recommendations of the Consultant; so long as a Consultant shall be retained and the Institution shall follow such Consultant's recommendations to the extent permitted by law, this covenant shall be deemed to have been complied with even if the ratio of Unrestricted Net Assets to Operating Expenses for any such Fiscal Year was below the required level.

In accordance with the Loan Agreement, a failure of the Institution to observe, perform or maintain the ratio of Unrestricted Net Assets to Operating Expenses as required by the Loan Agreement for any two (2) consecutive Fiscal Years shall immediately constitute an Event of Default in accordance with the Loan Agreement. See "APPENDIX E - Summary of Certain Provisions of the Loan Agreement and Pledge and Assignment."

The table below shows the Institution's actual ratio of Unrestricted Net Assets to Operating Expenses for the Fiscal Years ended June 30, 2010 through June 30, 2013.

	FY13	FY12	FY11	FY10
Unrestricted Net Assets	11,762,035	9,627,618	9,375,435	6,942,155
Operating Expenses	17,060,260	17,202,017	16,808,067	16,349,678
Bad Debts	102,497	94,896	135,755	20,246
Depreciation	1,432,871	1,339,599	1,262,704	1,200,044
Amortization	53,442	53,442	53,442	53,442
Maintenance Expense	23,456	14,945	10,844	11,589
Interest Expense/Finance Charge	1,351,700	1,371,380	1,321,279	1,391,519
Total Operating Expenses	20,024,226	20,076,279	19,592,091	19,026,518
Balance Sheet Ratio	58.7%	48.0%	47.9%	36.5%

Summary Financial Information (Unaudited)

The following Summary Financial Information and Statement of Activities of the Institution (the "Summary") for each of the five years ended June 30, 2009, 2010, 2011, 2012 and 2013 have been summarized from audited financial statements of the Institution for the respective years. The Summary should be read in conjunction with the audited financial statements of the Institution for the years ended June 30, 2013 and 2012, and other information included in the Official Statement.

[the balance of this page is intentionally blank]

Monroe Community College Association
Summary Financial Information
(Unaudited)

Fiscal Year Ended June 30,

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Statement of Financial Position					
<u>Assets</u>					
Cash and short term investments	528,486	2,465,718	1,628,954	1,243,997	2,389,638
Buildings and equipment (net)	27,729,015	27,251,779	27,893,311	28,294,321	29,176,992
Other assets	21,849,682	19,554,172	19,535,931	17,104,293	12,761,566
Total	<u>50,107,183</u>	<u>49,271,669</u>	<u>49,058,196</u>	<u>46,642,611</u>	<u>44,328,196</u>
<u>Liabilities</u>					
Accounts payable	992,152	752,707	567,416	883,792	1,207,828
Fair value of swap	2,522,026	3,386,335	3,002,231	3,273,412	2,427,566
Bonds payable	31,435,000	32,140,000	32,700,000	33,115,000	33,415,000
Other liabilities	3,395,970	3,365,009	3,413,114	2,428,252	2,131,553
Total	<u>38,345,148</u>	<u>39,644,051</u>	<u>39,682,761</u>	<u>39,700,456</u>	<u>39,181,947</u>
Net assets (unrestricted)	11,762,035	9,627,618	9,375,435	6,942,155	5,146,249
Statement of Activities					
<u>Revenue</u>					
Rent	5,091,788	4,988,378	5,003,554	4,911,468	4,760,133
Other income	15,720,305	15,504,765	16,036,275	15,943,921	14,327,602
Total	<u>20,812,093</u>	<u>20,493,143</u>	<u>21,039,829</u>	<u>20,855,389</u>	<u>19,087,735</u>
<u>Expenses</u>					
Cleaning/supplies/maintenance	23,456	14,945	10,884	11,589	21,077
Depreciation and amortization	1,486,313	1,393,041	1,316,146	1,253,446	1,247,311
Interest	1,123,444	1,172,791	1,143,303	1,201,135	1,108,703
Other expenses	16,908,772	17,276,079	16,407,397	15,747,467	15,572,089
Total	<u>19,541,985</u>	<u>19,856,856</u>	<u>18,877,730</u>	<u>18,213,637</u>	<u>17,949,180</u>
Gain/(loss) on swap value	864,309	(384,104)	271,181	(845,846)	(1,264,306)
Change in net assets	<u>2,134,417</u>	<u>252,183</u>	<u>2,433,280</u>	<u>1,795,906</u>	<u>(125,721)</u>

APPENDIX – B

AUDITED FINANCIAL STATEMENTS OF THE INSTITUTION
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

[THIS PAGE INTENTIONALLY LEFT BLANK]

**MONROE COMMUNITY COLLEGE
ASSOCIATION, INC.**

FINANCIAL STATEMENTS

JUNE 30, 2013

MONROE COMMUNITY COLLEGE ASSOCIATION, INC.

TABLE OF CONTENTS

<u>AUDITED FINANCIAL STATEMENTS</u>	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	1
STATEMENTS OF FINANCIAL POSITION	2
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS	3
STATEMENTS OF CASH FLOWS	4
NOTES TO FINANCIAL STATEMENTS	5 - 13



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Monroe Community College Association, Inc.
Rochester, New York

We have audited the accompanying financial statements of Monroe Community College Association, Inc. (a not-for-profit corporation) which comprise the statements of financial position as of June 30, 2013 and 2012, and the related statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Monroe Community College Association, Inc. as of June 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

EFP Rotenberg, LLP

EFP Rotenberg, LLP
Rochester, New York
October 25, 2013

MONROE COMMUNITY COLLEGE ASSOCIATION, INC.
Statements of Financial Position
June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
ASSETS		
Current Assets		
Unrestricted		
Cash and cash equivalents	\$ 528,486	\$ 2,465,718
Accounts receivable - net of allowance for doubtful accounts of \$569,337 and \$475,995, respectively	533,957	552,524
Investments	18,477,663	16,217,422
Inventories	1,198,846	1,149,154
Prepaid expenses	198,198	177,299
Deposits	5,460	9,400
Restricted		
Cash held in escrow for others, including invested cash of \$334,795 and \$288,969, respectively	336,615	295,988
Total current assets	<u>21,279,225</u>	<u>20,867,505</u>
Property, Plant and Equipment - Net	27,729,015	27,251,779
Other Assets		
Bond issuance costs - net	1,098,943	1,152,385
Total Assets	<u>\$ 50,107,183</u>	<u>\$ 49,271,669</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Current portion of bonds payable	\$ 845,000	\$ 705,000
Accounts payable and accrued expenses	992,152	752,707
Accrued salaries	62,221	59,551
Benefits payable	176,987	191,718
Deposits held in escrow for others	336,615	295,988
Housing application fee payable	183,800	174,800
Deferred revenue	595,970	720,920
Housing security deposits	125,600	123,000
Deposits payable	1,280	1,420
Total current liabilities	<u>3,319,625</u>	<u>3,025,104</u>
Other Liabilities		
Bonds payable	30,590,000	31,435,000
Accrued postretirement benefits	1,913,497	1,797,612
Obligation under interest rate swap agreement	2,522,026	3,386,335
Total other liabilities	<u>35,025,523</u>	<u>36,618,947</u>
Total Liabilities	<u>38,345,148</u>	<u>39,644,051</u>
Net Assets - Unrestricted		
Board designated for future capital expenditures	3,983,988	3,607,708
Board designated for future principal payments	237,500	237,500
Other	7,540,547	5,782,410
Total net assets	<u>11,762,035</u>	<u>9,627,618</u>
Total Liabilities and Net Assets	<u>\$ 50,107,183</u>	<u>\$ 49,271,669</u>

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

MONROE COMMUNITY COLLEGE ASSOCIATION, INC.
Statements of Activities and Changes in Net Assets
For the Years Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Revenue		
Bookstore sales	\$ 11,125,150	\$ 11,109,008
Activity fees	2,719,336	2,703,469
Child care fees and food reimbursements	614,395	551,140
Residence hall fees	5,091,788	4,988,378
Grants	365,006	367,210
Other revenues	896,418	773,938
Total revenue	<u>20,812,093</u>	<u>20,493,143</u>
Operating Expenses		
Bookstore	9,127,407	9,286,321
Corporation	4,384,093	4,434,372
Child care	1,013,276	970,682
Residence halls	2,535,484	2,510,642
Total operating expenses	<u>17,060,260</u>	<u>17,202,017</u>
Change in Net Assets from Operating Activities	<u>3,751,833</u>	<u>3,291,126</u>
Other Expenses (Income)		
Bad debts - net of recoveries	102,497	94,896
Depreciation	1,432,871	1,339,599
Amortization	53,442	53,442
Maintenance expense	23,456	14,945
Interest expense and finance charges	1,351,700	1,371,380
Loss on disposal of assets	2,353	5,031
Realized and unrealized gain on investments	(306,855)	(60,501)
Investment management fee	39,313	36,357
Total other expenses (income)	<u>2,698,777</u>	<u>2,855,149</u>
Excess of Revenues Over Expenses	<u>1,053,056</u>	<u>435,977</u>
Other Income (Expense)		
Change in fair value of interest rate swap agreement	864,309	(384,104)
Change in funded status of post retirement benefit plan	(11,204)	1,721
Interest	228,256	198,589
Total other income (expense)	<u>1,081,361</u>	<u>(183,794)</u>
Change in Net Assets	2,134,417	252,183
Net Assets - Beginning	<u>9,627,618</u>	<u>9,375,435</u>
Net Assets - Ending	<u>\$ 11,762,035</u>	<u>\$ 9,627,618</u>

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

MONROE COMMUNITY COLLEGE ASSOCIATION, INC.
Statements of Cash Flows
For the Years Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 2,134,417	\$ 252,183
Adjustments		
Depreciation	1,432,871	1,339,599
Amortization	53,442	53,442
Loss on disposal of assets	2,353	5,031
Bad debt expense - net of recoveries	102,497	94,896
Change in fair value of interest rate swap agreement	(864,309)	384,104
Realized and unrealized gain on investments	(306,855)	(60,501)
Postretirement benefits expense	115,885	70,647
Changes in assets and liabilities		
Accounts receivable	(83,930)	117,975
Inventories	(49,692)	(8,157)
Prepaid expenses	(20,899)	72,116
Deposits	3,940	2,390
Accounts payable and accrued expenses	239,445	185,291
Accrued salaries	2,670	13,747
Benefits payable	(14,731)	23,615
Housing application fee payable	9,000	(27,000)
Deferred revenue	(124,950)	(65,595)
Housing security deposits	2,600	(25,200)
Deposits payable	(140)	(5,000)
Net cash flows from operating activities	<u>2,633,614</u>	<u>2,423,583</u>
Cash Flows from Investing Activities		
Purchase of equipment	(1,912,460)	(703,098)
Purchase of investments	(6,505,610)	(3,460,048)
Proceeds from sale of investments	4,552,224	3,136,327
Net cash flows from investing activities	<u>(3,865,846)</u>	<u>(1,026,819)</u>
Cash Flows from Financing Activities		
Repayments on bonds payable	<u>(705,000)</u>	<u>(560,000)</u>
Net Change in Cash and Cash Equivalents	(1,937,232)	836,764
Cash and Cash Equivalents - Beginning	<u>2,465,718</u>	<u>1,628,954</u>
Cash and Cash Equivalents - Ending	<u>\$ 528,486</u>	<u>\$ 2,465,718</u>

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

MONROE COMMUNITY COLLEGE ASSOCIATION, INC.
Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies and Nature of the Organization

Nature of the Organization - Monroe Community College Association, Inc. (the "Association") was established in 1964 as a not-for-profit corporation under the laws of the State of New York to advance and promote co-curricular programs and auxiliary services of the Association and Monroe Community College (the "College"). The Association is administered by a Board of Directors consisting of thirteen voting members: five are student representatives; two are elected by the Faculty Senate of the College; three represent the Administration of the College; one is elected by the Civil Service staff of the College; one is designated by the Alumni Association of the MCC Foundation; and one director representing the Damon City Center who shall be a full-time employee of Monroe Community College, assigned to Damon City Center. The Association's budget is subject to the approval of the President of the College and the financial statements of the Association are included in the College's financial statements. In addition, the College collects and remits to the Association, student financial aid that is collected on behalf of the Association for revenues generated by the Association's Bookstore and Residence Halls.

Basis of Presentation - The accompanying financial statements have been prepared on the accrual basis of accounting. Accordingly, revenues are recorded when services are provided, as funding is earned or as products are sold. Grants and other monies restricted as to use are recognized as revenue to the extent that expenses have been incurred for the purposes specified by the grantor, or as allowed by law during the period. Expenses are recorded when merchandise is received or services are rendered.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205. Under ASC 958-205, the Association is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Association has only unrestricted net assets for the years ended June 30, 2013 and 2012.

Unrestricted Net Assets - Represents all resources over which the Board of Directors has discretionary control to use in carrying on the Association's operations in accordance with the guidelines established for the Association. The Board may designate portions of the current unrestricted net assets for specific purposes, projects or investment.

The accompanying financial statements have been combined to include the accounts of the Bookstore, Student Association, Child Care Center, Residence Halls and Agency Accounts. All transactions between these operations have been eliminated in the combination.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents - For the purposes of the statements of financial position and statements of cash flows, cash and cash equivalents include deposits, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less. The Association maintains cash and cash equivalents at financial institutions which periodically may exceed federally insured limits.

Cash - Restricted - At June 30, 2013 and 2012, restricted cash represents cash held on behalf of several student and faculty clubs and certain college activities.

Accounts Receivable and Allowance for Doubtful Accounts - Accounts receivable are stated at the amount billed to students. Grants receivable are billed following the terms of the grant contract.

MONROE COMMUNITY COLLEGE ASSOCIATION, INC.
Notes to Financial Statements

Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual receivables primarily from residence hall and other fees. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the applicable accounts receivable.

Investments - Investments consist of invested cash and mutual funds. Invested cash is maintained in money market accounts at a financial institution and an investment company located in Rochester, New York and St. Louis, Missouri, and is valued at cost. ASC 820-10 defines fair value, establishes a framework for measuring fair value in accounting principles generally accepted in the United States, and expands disclosure about fair value measurements. The fair value of investments is disclosed in Note 3. Unrealized gains or losses on such securities result from differences between the cost and fair values of securities on a specified valuation date.

Uninsured balances in money market accounts approximated \$10,300,000 and \$9,700,000 at June 30, 2013 and 2012, respectively. The Association has not experienced any losses in such accounts and management believes it is not exposed to any significant risk in cash.

Inventories - Inventories, which consist primarily of Bookstore merchandise and new and used books, are priced at the lower of cost using the retail inventory method, first-in, first-out method of accounting, or market.

Property, Plant and Equipment - Property, plant and equipment are recorded on the basis of cost. Depreciation is provided over the estimated useful life of the applicable assets using the straight-line method. Estimated useful lives range from three to forty years. Donated assets are recorded at estimated fair market value at the date of donation.

Improvements over \$500 that add value or extend the useful life are capitalized while repairs and maintenance are charged to activities as incurred. Upon sale or retirement, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in activities.

Bond Issuance Costs - Bond issuance costs, which consist of deferred financing charges, are stated at cost and are amortized over the life of the bonds (thirty years).

Derivative Instruments and Hedging Activities - On September 21, 2006, the Association entered into an interest rate swap agreement to manage its interest rate risk. The Association accounts for its derivative instrument in accordance with FASB ASC 815 which requires that all derivative financial instruments, such as interest rate swap agreements be recognized in the financial statements and measured at fair value regardless of the purpose or intent for holding them (see Note 8).

At June 30, 2013 and 2012, the fair value of the swap was a liability of \$2,522,026 and \$3,386,335, respectively, as determined by the Swap Dealer utilizing proprietary models based upon well recognized financial principles and reasonable estimates relevant to future market conditions. The Association recorded an increase in net assets during the year ended June 30, 2013, of \$864,309 and a decrease in net assets of \$384,104 during the year ended June 30, 2012, to record the swap agreement at fair value.

Revenue Recognition - The Association's policy is to record Bookstore revenues as books are sold, to record Corporation revenues when students are assessed fees through tuition billings, to record Child Care revenues as gifts are pledged, vouchers related to expenditures for approved grants are submitted, fees are assessed and food reimbursements are submitted, and to record Residence Hall revenues as rooms are assigned and students are assessed fees through tuition billings. Other revenues include amounts earned related to vending machine commissions, laundry commissions, ticket sales, recreational receipts and various other sources.

MONROE COMMUNITY COLLEGE ASSOCIATION, INC.
Notes to Financial Statements

Deposits Held in Escrow - The Association holds and administers funds on behalf of several student and faculty clubs and college activities.

Income Taxes - The Association is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Association's tax-exempt purpose is subject to taxation as unrelated business income.

In accordance with ASC 740-10-50, *Accounting for Uncertainty in Income Taxes*, the Association recognizes the tax benefits from uncertain tax positions only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities. Management believes that the Association is currently operating in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no liability for unrecognized tax benefits has been included on the Association's financial statements. The exempt Association's informational returns are subject to audit by various taxing authorities and its open audit periods are 2010 through 2012.

Subsequent Events - In accordance with ASC 855-10, the Association evaluated subsequent events through October 25, 2013, the date these financial statements were available to be issued.

Note 2. Related Party Transactions

The College provides various services to the Association. Amounts paid to the College from the Association as of June 30, 2013 and 2012, were \$1,598,874 and \$1,601,406 of which \$3,863 and \$254,022 is included in accounts payable, respectively.

The Association receives payments from the College. These amounts consist of student fees and residence hall payments that totaled \$7,303,083 and \$7,071,045 as of June 30, 2013 and 2012, respectively. Of these totals, \$24,797 and \$103,768 were included in accounts receivable at June 30, 2013 and 2012, respectively.

Note 3. Investments

Investments consisted of the following at June 30:

	<u>2013</u>		<u>2012</u>	
	<u>Market</u>	<u>Cost</u>	<u>Market</u>	<u>Cost</u>
Invested cash	\$ 10,250,605	\$ 10,250,605	\$ 9,658,708	\$ 9,658,708
International equity mutual fund	207,644	206,674	488,544	646,149
Small blend mutual fund	111,766	100,019	-	-
Small value mutual fund	102,282	100,000	-	-
Mid-cap growth mutual fund	472,519	425,843	-	-
Large blend mutual fund	1,452,829	1,116,499	1,612,831	1,492,184
Diversified emerging market mutual fund	214,524	222,019	-	-
Foreign small/mid blend mutual fund	139,742	121,925	-	-
Foreign large blend mutual fund	216,092	220,000	-	-
Equity and fixed income - real estate industry mutual fund	190,744	168,271	417,640	395,867
Fixed income mutual fund	5,118,916	5,300,696	4,039,699	3,927,277
Total assets	<u>\$ 18,477,663</u>	<u>\$ 18,232,551</u>	<u>\$ 16,217,422</u>	<u>\$ 16,120,185</u>

MONROE COMMUNITY COLLEGE ASSOCIATION, INC.
Notes to Financial Statements

Realized and unrealized gains (losses) consisted of the following at June 30:

	<u>2013</u>	<u>2012</u>
Realized gain (loss) - net	\$ 158,980	\$ (144,083)
Unrealized gain - net	147,875	204,584
Total	<u>\$ 306,855</u>	<u>\$ 60,501</u>

Investments are exposed to various risks, such as interest rate, market and credit risk. Due to the risks associated with investments, it is at least reasonably possible that changes in risks could materially affect the Association.

Note 4. Fair Value of Financial Instruments

ASC 820-10 establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quote prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used at June 30, 2013 and 2012.

Cash Equivalent - Fair value equals costs (Level 1).

Mutual Funds - Valued at the closing price reported on the active market on which the funds are traded (Level 1).

Interest Rate Swaps - Valued utilizing proprietary models based on well recognized financial principles and reasonable estimates relevant to future market conditions (Level 2).

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Association believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement.

MONROE COMMUNITY COLLEGE ASSOCIATION, INC.
Notes to Financial Statements

The following table summarizes, by level within the fair value hierarchy, the valuation of the Association's financial instruments measured at fair value on a recurring basis at June 30, 2013 and 2012:

	<u>Fair Value at June 30, 2013</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Investments				
Cash and cash equivalents	\$ 10,250,605	\$ -	\$ -	\$ 10,250,605
International equity mutual fund	207,644	-	-	207,644
Small blend mutual fund	111,766	-	-	111,766
Small value mutual fund	102,282	-	-	102,282
Mid-cap growth mutual fund	472,519	-	-	472,519
Large blend mutual fund	1,452,829	-	-	1,452,829
Diversified emerging market mutual fund	214,524	-	-	214,524
Foreign small/mid blend mutual fund	139,742	-	-	139,742
Foreign large blend mutual fund	216,092	-	-	216,092
Equity and fixed income -real estate industry mutual fund	190,744	-	-	190,744
Fixed income mutual fund	5,118,916	-	-	5,118,916
Total assets	<u>\$ 18,477,663</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,477,663</u>
Liabilities				
Derivatives				
Interest rate swaps	\$ -	\$ 2,522,026	\$ -	\$ 2,522,026
Total liabilities	<u>\$ -</u>	<u>\$ 2,522,026</u>	<u>\$ -</u>	<u>\$ 2,522,026</u>
Fair Value June 30, 2012				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Investments				
Cash and cash equivalents	\$ 9,658,708	\$ -	\$ -	\$ 9,658,708
International equity mutual fund	488,544	-	-	488,544
Large cap value mutual fund	1,612,831	-	-	1,612,831
Equity and fixed income -real estate industry mutual fund	417,640	-	-	417,640
Fixed income mutual fund	4,039,699	-	-	4,039,699
Total assets	<u>\$ 16,217,422</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,217,422</u>
Liabilities				
Derivatives				
Interest rate swaps	\$ -	\$ 3,386,335	\$ -	\$ 3,386,335
Total liabilities	<u>\$ -</u>	<u>\$ 3,386,335</u>	<u>\$ -</u>	<u>\$ 3,386,335</u>

MONROE COMMUNITY COLLEGE ASSOCIATION, INC.
Notes to Financial Statements

Note 5. Property, Plant and Equipment

Equipment consisted of the following as of June 30:

	<u>2013</u>	<u>2012</u>		
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>	<u>Net</u>
Bookstore	\$ 532,515	\$ (312,552)	\$ 219,963	\$ 272,126
Corporate operations	4,423,424	(1,887,743)	2,535,681	1,284,346
Child Care	99,259	(48,498)	50,761	39,218
Residence halls	32,419,948	(7,497,338)	24,922,610	25,656,089
Total	<u>\$37,475,146</u>	<u>\$(9,746,131)</u>	<u>\$27,729,015</u>	<u>\$ 27,251,779</u>

Note 6. Bond Issuance Costs

Bond issuance costs consist of the following at June 30:

	<u>2013</u>	<u>2012</u>
Bond issuance costs	<u>\$ 1,098,943</u>	<u>\$ 1,152,385</u>

Amortization expense for these bond issuance costs amounted to \$53,442 and \$53,442 for the years ended June 30, 2013 and 2012, respectively.

Scheduled amortization is currently estimated as follows.

2014	\$ 53,442
2015	53,442
2016	53,442
2017	53,442
2018	53,442
Thereafter	831,733
Total	<u>\$ 1,098,943</u>

Note 7. Pensions

The Association participates in retirement plans administered by the Teachers Insurance Annuity Association of America (TIAA) and College Retirement Equities Fund (CREF) for full-time and part-time employees. Effective January 1, 2009, the Association's two plans were merged. The Association's policy is to fund the costs of these defined contribution plans currently. Total pension expense charged to activities relating to these plans was approximately \$191,100 and \$180,300 for the years ended June 30, 2013 and 2012, respectively.

MONROE COMMUNITY COLLEGE ASSOCIATION, INC.
Notes to Financial Statements

Note 8. Bonds Payable

Bonds payable are summarized as follows at June 30:

	<u>2013</u>	<u>2012</u>
2002A tax exempt variable rate demand revenue bonds, effective rate of 0.08% - 0.24% at June 30, 2013	\$ 14,810,000	\$ 15,220,000
2006A tax exempt variable rate demand revenue bonds, effective rate of 0.00% - 0.24% at June 30, 2013	<u>16,625,000</u>	<u>16,920,000</u>
	31,435,000	32,140,000
Less, current portion of bonds payable	<u>(845,000)</u>	<u>(705,000)</u>
Total	<u>\$ 30,590,000</u>	<u>\$ 31,435,000</u>

The Association has financed the construction of Phase I of its residence halls through tax exempt variable rate demand revenue bonds (2002A) amounting to \$15,910,000, issued by County of Monroe Industrial Development Agency (COMIDA). The bonds are collateralized by an irrevocable letter of credit in favor of the trustee for the bonds, a first mortgage interest, a second lien of accounts receivable, inventories and equipment. The Association is charged interest based on a weekly adjustable rate, interest payments are made monthly until the bonds mature. The 2002A bonds will be called for redemption through 2032.

The Association has financed the construction of Phase II of its residence halls through tax exempt variable rate demand revenue bonds (2006A) amounting to \$18,295,000, issued by County of Monroe Industrial Development Agency (COMIDA). The bonds are collateralized by an irrevocable letter of credit in favor of the trustee for the bonds, a first mortgage interest, a security interest on accounts receivable, inventories and equipment association with the project. The Association is charged interest based on a weekly adjustable rate, interest payments are made monthly until the bonds mature. The 2006A bonds will be called for redemption through 2036.

Future maturities of bonds payable are as follows during the years ended June 30:

2014	\$ 845,000
2015	920,000
2016	1,005,000
2017	1,070,000
2018	1,140,000
Thereafter	<u>26,455,000</u>
Total	<u>\$ 31,435,000</u>

The 2002A bonds require an irrevocable letter of credit in the original amount of \$16,140,000. The letter of credit has a current stated amount of \$15,273,787, and has an annual charge of 1.05% on the then stated amount of the letter of credit and requirement payment in quarterly installments. The letter of credit expires on June 30, 2014.

The 2006A bonds require an irrevocable letter of credit in the original amount of \$18,295,000. The letter of credit has a current stated amount of \$16,816,302, and has an annual charge of 1.05% on the then stated amount of the letter of credit and requirement payment in quarterly installments. The letter of credit expires on June 30, 2014.

Under the terms of the letters of credit, the Association is required, among other things, to maintain certain financial covenants and operating ratios. As of June 30, 2013, the Association was in compliance with all of these covenants.

MONROE COMMUNITY COLLEGE ASSOCIATION, INC.
Notes to Financial Statements

During the year ended June 30, 2007, the Association entered into an interest rate swap agreement (see Note 1) in order to manage its exposure to interest rate risk on its variable rate bonds. Under the terms of the agreement, which expires September 2016, the Association pays a fixed rate of 3.565% and receives a variable rate based on LIBOR as described in the agreement. The agreement was a notional amount of \$26,325,000.

Interest of \$970,052 and \$978,994 was paid and expensed during the years ended June 30, 2013 and 2012, respectively.

Note 9. Line of Credit

The Association has available a maximum line of credit of \$1,000,000 that expires January 31, 2014, which provides for interest at LIBOR plus a defined adjustment or prime minus a defined margin. At June 30, 2013 and 2012, there were no amounts outstanding on this line.

Note 10. Postretirement Benefit Plan

The Association provides certain health care and life insurance benefits to employees who were employed prior to July 1, 1994, when the Plan was terminated and are age 55 or over with fifteen or more years of service upon retirement. Such coverage will cease upon the death of the retiree regardless of whether there are survivors covered under the policy. The Association accounts for these benefits in accordance with FASB ASC 715 as described below. The Association funds such benefit costs principally on a pay-as-you-go basis.

The following sets forth information about the postretirement benefit plan and amounts recognized in the accompanying financial statements as of June 30:

	<u>2013</u>	<u>2012</u>
Accumulated postretirement benefit obligation	\$ 1,913,497	\$ 1,797,612
Plan assets at fair value	\$ -	\$ -
Funded status and accrued postretirement benefit cost	\$ (1,913,497)	\$ (1,797,612)
Benefit cost	\$ 135,764	\$ 113,529
Benefit payments	\$ 31,083	\$ 41,161
Employer contributions	\$ 31,083	\$ 41,161
Actuarial loss (gain)	\$ 11,204	\$ (1,721)
Weighted-average assumptions:		
Discount rate	4.50%	5.50%
Expected return on plan assets	N/A	N/A
Rate of compensation increase	N/A	N/A
Ultimate healthcare trend factor	5.00%	5.00%

The impact of a 1% increase in the health care cost trend would result in an increase to the post retirement benefit obligation of \$320,223 and periodic benefit cost of \$23,450.

Estimated future benefit payments are expected to be paid as follows:

2014	\$ 40,697
2015	\$ 53,746
2016	\$ 53,189
2017	\$ 52,572
2018	\$ 51,894
2019 - 2023	\$ 380,590

MONROE COMMUNITY COLLEGE ASSOCIATION, INC.
Notes to Financial Statements

For measurement purposes, a 10% annual rate of increase per capita cost of covered healthcare benefits was assumed for 2013 and 2012. This rate was assumed to decrease ratably to 5% over a seven year period and remain at the level thereafter.

Note 11. Net Assets

The College is required to present their financial statements in accordance with GASB Statement No. 34. This statement requires that resources be classified for accounting purposes into the following three net asset categories:

Invested in capital assets, net of related debt: Capital assets, net of accumulated depreciation less outstanding principal balances of debt attributable to the acquisition, construction, repair, or improvement of those assets.

Restricted: Net assets whose use is subject to externally imposed conditions that can be fulfilled by the actions of the Association or by the passage of time.

Unrestricted: All other categories of net assets. Unrestricted net assets may be designated by actions of the Association's board of directors.

The following table presents the Association's net assets in accordance with GASB Statement No. 34 which will be included in the College's audited financial statements for the years ended June 30:

	<u>2013</u>	<u>2012</u>
Invested in capital assets, net of related debt	\$ (2,607,042)	\$ (3,735,836)
Unrestricted:		
Board designated for future capital expenditures	3,983,988	3,607,708
Board designated for future principal payments	237,500	237,500
Other	10,147,589	9,518,246
Total	<u>\$ 11,762,035</u>	<u>\$ 9,627,618</u>

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX – C

CERTAIN DEFINITIONS

"Accountant" means a nationally or regionally recognized firm of independent certified public accountants selected by the Institution having expertise in the particular businesses in which the Institution is engaged.

"Act" means Section 1411 of the Not-For-Profit Corporation Law of the State of New York as amended.

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

"Additional Bonds" means any bonds, other than the Series 2014 Bonds, issued pursuant to Section 2.13 of the Indenture.

"Annual Debt Service" means the actual sum of the principal and sinking fund installments of and interest on outstanding Long-Term Indebtedness payable during a Fiscal Year provided that (a) with respect to any Indebtedness that bears a variable rate of interest the debt service shall include any credit enhancement costs and (b) with respect to any Long-Term Indebtedness subject to an interest rate exchange agreement, the debt service shall include the net payments made to or received from the counterparty. With respect to principal and sinking fund installments paid in any Fiscal Year on outstanding Balloon Indebtedness, such debt shall be assumed to be issued on a level debt service basis with a term equaling the original term of the debt.

"Assignment of Mortgage" means the Assignment of Mortgage and Security Agreement, dated as of April 1, 2014, from the Issuer to the Trustee and acknowledged by the Institution.

"Authorized Investments" means any of the following: (i) Government Obligations, (ii) obligations of the Federal National Mortgage Association, (iii) obligations of the Federal Intermediate Credit Banks, (iv) obligations of the Federal Banks for Cooperatives, (v) obligations of Federal Home Land Banks, (vi) obligations of Federal Home Loan Banks, (vii) obligations of the Export-Import Bank of the United States, (viii) obligations of the U.S. Postal Service, (ix) obligations of the Government National Mortgage Association, (x) obligations of the Federal Home Loan Mortgage Corporation, (xi) obligations of the Private Export Funding Corporation, (xii) obligations of a state, territory or possession of the United States or any political subdivision of the foregoing, the interest on which is not included in gross income for federal income taxation purposes and which bear a rating in one of the two highest rating categories by a Rating Agency, (xiii) obligations described in clause (xii) above which have been advance refunded and are secured by obligations described in clause (i) above, (xiv) interest bearing accounts, interest bearing deposits or certificates of deposit issued by, or bankers' acceptances drawn or accepted by, banks or trust companies, including the Trustee, organized under the laws of the United States or any state thereof whose long term debt and bank deposits bear ratings of "A" (or its equivalent) or better by a Rating Agency, (xv) commercial paper rated "P-1" (or its equivalent) or better by a Rating Agency or units of a commercial paper portfolio or fund comprised thereof, (xvi) notes of bank holding companies and banking institutions, organized under the laws of the United States or any state thereof, bearing a rating in one of the two highest categories by a Rating Agency, (xvii) units of a taxable government money-market portfolio restricted to obligations issued or guaranteed as to payment of principal and interest by the full faith and credit of the United States or repurchase agreements collateralized by such obligations, (xviii) certificates of deposit issued by a nationally or state-chartered bank, including the Trustee or any of its affiliates, or a savings and loan association whose long term debt and bank deposits do not bear ratings of "A" (or its equivalent) or better by a Rating Agency; provided that the principal amount of any such certificate of deposit in excess of the amount insured by the FDIC shall be fully secured and collateralized by the pledge and deposit of securities described in (i) above with a market value equal to one hundred percent (100%) of such uninsured excess principal amount, (xix) (A) demand and time deposits in, certificates of deposits of, bankers' acceptances issued by, or federal funds sold by any depository institution or trust company (including the Trustee) incorporated under the laws of the United States of America, any state thereof or the District of Columbia or any foreign depository institution with a branch or agency licensed under the laws of the United States of America or any state, subject to supervision and examination by Federal and/or State banking authorities and having an approved rating at the time of such investment or contractual commitment providing for such investment of "A" (or its equivalent) or better by a Rating Agency or (B) any other demand or time deposit certificate of deposit which is fully insured by the Federal Deposit Insurance Corporation or any successor therefor; (xx) investment agreements or repurchase agreements with any bank, trust company, national banking association (which may include the Trustee) or any other

financial institution or insurance company or guaranteed thereby, provided that the institution providing such investment agreements or repurchase agreements shall be rated "A" (or its equivalent) or better by a Rating Agency, or the principal amount of such investment agreements or repurchase agreements then outstanding shall be fully secured and collateralized by the pledge and deposit of securities (including wireable securities) described in (i) and (ii) above with a market value equal to one hundred two percent (102%) of such principal amount, that the Trustee has a perfected first security interest in the collateral, that the Trustee or any agent has possession of the collateral, and that such obligations are free and clear of claims by third parties and (xxi) money market mutual funds with assets in excess of \$2,000,000,000 investing in obligations of the type specified in items (i) through (xii), (xv), (xvii) and (xx) above.

Any of the items described in (xiv), (xvi), (xviii), (xix) and (xx) above shall be only of institutions whose capital surplus (or in the case of financial institutions other than banks, net worth) is in excess of \$50,000,000.

"Authorized Representative" means with respect to the Issuer, its President, Vice President or Executive Director, with respect to the Institution, its Director, and with respect to both such additional persons as, at the time, are designated to act on behalf of the Issuer or the Institution, as the case may be, by written certificate furnished to the Trustee and to the Issuer or the Institution, as the case may be, containing the specimen signature of each such person and signed on behalf of (i) the Issuer by its President, Vice President or Executive Director, or (ii) the Institution by its Director.

"Balloon Indebtedness" shall mean Long-Term Indebtedness of which 25% or more in principal amount matures or is required to be purchased by the Institution (either automatically or at the option of the holder of such Balloon Indebtedness) in any one year.

"Bond" or "Bonds" means the Series 2014A Bonds and the Series 2014B Bonds, and any Additional Bonds, authorized to be issued pursuant to the Indenture to finance all or a portion of the Project Costs.

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

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

"Bondholder" or "Holder" or "Owner" means the registered owner at the time in question of any Bond, as shown on the registration books maintained by the Bond Registrar pursuant to the Indenture.

"Bond Payment Date" means any date on which a Debt Service Payment shall be payable on any of the Bonds according to their terms so long as any of the Bonds shall be Outstanding.

"Bond Proceeds" means, collectively, the Series 2014A Bond Proceeds and the Series 2014B Bond Proceeds.

"Bond Purchase Agreement" means the Bond Purchase Agreement, dated April 2, 2014, by and among the Issuer, the Institution and the Underwriter.

"Bond Registrar" means the Trustee, acting as such, and any successor bond registrar for the Bonds appointed pursuant to Article IX hereof, their respective successors and any other corporation which may at any time be substituted in their respective places pursuant to the Indenture.

"Bond Resolution" means the resolution adopted by the Issuer on March 11, 2014 authorizing the issuance, execution, sale and delivery of the Series 2014 Bonds and the execution and delivery of Issuer Documents, as such resolution may be amended or supplemented from time to time.

"Bond Year" means the one-year period beginning on the day after the expiration of the preceding Bond Year. The first Bond Year begins on the dated date of original issuance of the Bonds and ends one year later.

"Business Day" means a day other than a Saturday, Sunday, legal holiday or other day on which the Trustee is authorized by law or executive order to remain closed.

"Campus" shall mean the main campus of Monroe Community College, located at 1000 East Henrietta Road in the Town of Brighton, New York.

"Capital Additions" means all property or interests in property, real, personal and mixed (a) which constitute additions, improvements or extraordinary repairs to or replacements of all or any part of the Facility, and (b) the cost of which is properly capitalized under generally accepted accounting principles.

"Certificates of Authentication of the Trustee" and "Trustee's Certificates of Authentication" means, collectively, the certificates executed by an authorized officer of the Trustee certifying the due authentication of the (i) Series 2014A Bonds in the aggregate principal amount of \$31,615,000 and (ii) Series 2014B Bonds in the aggregate principal amount of \$2,720,000.

"Closing" or "Closing Date" means the date of the sale and delivery of the Series 2014 Bonds and the delivery of the Financing Documents.

"Code" means the Internal Revenue Code of 1986, as amended, and the final, temporary and proposed regulations of the United States Department of the Treasury promulgated thereunder. References to Sections of the Code shall be construed also to refer to successor and renumbered sections.

"Computation Period" means each period from the date of original issuance of the Bonds through the date on which a determination of the Rebate Amount is made.

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

"Continuing Disclosure Agreement" means the Continuing Disclosure Agreement, dated as of April 1, 2014, by and between the Institution and the Trustee, as the same may be amended or supplemented from time to time.

"Contract Term" means the period commencing with the Closing Date and continuing until the principal of, premium, if any, and interest on the Bonds have been paid in full, or provision therefor has been made pursuant to Article VII of the Indenture, and all other amounts due under the Loan Agreement have been paid in full.

"Debt Service Coverage Ratio" is the ratio of Operating Revenues Available for Debt Service to Annual Debt Service.

"Debt Service Payment" means, with respect to any Bond Payment Date, (i) the interest payable on such Bond Payment Date on the Bonds Outstanding, plus (ii) the principal, if any, payable on such Bond Payment Date on the Bonds Outstanding, plus (iii) the premium, if any, payable on such Bond Payment Date on the Bonds Outstanding.

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

"Debt Service Reserve Fund Requirement" means with respect to (i) the Series 2014A Bonds, as of any particular date of computation, an amount equal to one hundred percent (100%) of the applicable Maximum Annual Debt Service, (ii) the Series 2014B Bonds, as of any particular date of computation, an amount equal to one hundred percent (100%) of the applicable Maximum Annual Debt Service and (iii) any Additional Bonds, such amount as may be designated in any Supplemental Indenture with respect to such Additional Bonds.

"Default Rate" means nine percent (9.00%) or the maximum rate permitted by law, that being the rate at which interest accrues on the Bonds from and after the date of occurrence of an Event of Default and for so long as such Event of Default remains in effect.

"Defeasance Obligations" shall mean (unless otherwise approved in writing by the Insurer) (i) cash; (ii) U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series – (SLGS)); (iii) direct obligations of the U.S. Treasury which have been stripped by the U.S. Treasury; (iv) obligations of Resolution Funding Corp. ("REFCORP") (*provided, however*, that, only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book-entry form shall qualify as Defeasance Obligations); (v) pre-refunded municipal bonds rated "Aaa" by Moody's and "AAA" by S&P (*provided, however*, that, if such pre-funded municipal bonds are only rated by S&P, then such pre-refunded bonds shall have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or "AAA" rated pre-refunded municipals; and (vi) obligations issued by the following agencies which are backed by the full faith and credit of the U.S.: (a) U.S. Export-Import Bank (Eximbank) Direct Obligations or fully guaranteed certificates of beneficial ownership; (b) Farmers Home Administration (FmHA); (c) Federal Financing Bank; (d) General Services Administration Participation Certificates; (e) U.S. Maritime Administration Guaranteed Title XI

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

"Depository" or "DTC" means The Depository Trust Company, New York, New York, and its successors and assigns.

"Determination of Taxability" means with respect to the Series 2014A Bonds:

(A) a final determination by any court of competent jurisdiction or a final determination by the Internal Revenue Service to which the Institution shall consent or from which no timely appeal shall be taken to the effect that interest on the Series 2014A Bonds is includable in the gross income of the Owner thereof for Federal income tax purposes;

(B) ninety (90) days after receipt by the Issuer, the Trustee or the Institution of written notice that the Internal Revenue Service has issued a "notice of deficiency" or similar notice to any present or former Holder of a Series 2014A Bond assessing a tax in respect of any interest on the Series 2014A Bonds as a result of such interest being includable in gross income for Federal income tax purposes, provided that such notice has not been withdrawn by the Internal Revenue Service and from which such Holder (or the Institution or the Trustee on behalf of the Holder, if allowable) has not filed a timely petition in the United States Tax Court contesting the same; or

(C) the delivery to the Institution, the Trustee and the Issuer of an opinion of Bond Counsel to the effect that interest on the Series 2014A Bonds is includable in the gross income of a Holder thereof for Federal income tax purposes.

Nothing in this definition of "Determination of Taxability" shall be construed to mean that the Trustee, the Institution or any Holder of any Series 2014A Bond shall have any obligation to contest or appeal any assertion or decision that any interest payable under the Series 2014A Bonds is subject to taxation.

Notwithstanding the foregoing, in no event shall the imposition of an alternative minimum tax or preference tax or environmental tax or branch profits tax on any Series 2014A Bondholder, the calculation of which included the interest on the Series 2014A Bonds, be considered a Determination of Taxability.

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

"Equipment" means all machinery, equipment and other tangible personal property used and to be used in connection with the Facility and refinanced with the Series 2014A Bond Proceeds with such additions thereto and substitutions therefor as may exist from time to time.

"Event of Default" means any of those events defined as Events of Default by Section 8.01 of the Indenture or, when used with respect to the Loan Agreement, any of those events defined as Events of Default by Section 7.1 of the Loan Agreement.

"Extraordinary Services" and "Extraordinary Expenses" means all services rendered and all reasonable, out-of-pocket expenses (including counsels' fees) incurred by the Trustee or any Paying Agent under the Indenture other than Ordinary Services and Ordinary Expenses including but not limited to, the services rendered and expenses reasonably incurred by the Trustee with respect to any Event of Default under the Financing Documents, or the happening of an occurrence which, with the passage of time or the giving of a notice, would ripen into an Event of Default.

"Facility" shall have the meaning assigned to such term in the WHEREAS paragraphs of the Indenture.

"Favorable Opinion of Bond Counsel" shall mean, with respect to any action, the occurrence of which requires such an opinion, an unqualified Opinion of Counsel, which shall be a Bond Counsel, to the effect that such action is permitted under the Act and the Indenture and will not impair the exclusion of interest on the Bonds from gross income for purposes of Federal income taxation (subject to the inclusion of any exceptions contained in the opinion delivered upon original issuance of the Bonds).

"Financing Documents" or "Bond Documents" means, collectively, the Bonds, the Indenture, the Mortgage, the Assignment of Mortgage, the Loan Agreement, the Pledge and Assignment, the Pledge and Security Agreement, the Tax Compliance Agreement, the Continuing Disclosure Agreement, any other document or instrument executed in connection

therewith to secure the Institution's obligation to repay the Series 2014 Bonds or make the debt service payments due under the Loan Agreement, and any other instrument or document supplemental thereto.

"Fiscal Year" means the fiscal year of the Institution currently commencing on July 1 and ending on June 30 of each year, or such other twelve month period as the Institution may elect as its fiscal year.

"Fixed Interest Rate" means the interest rates on the Bonds as set forth in the Indenture, from and including the Closing Date through but not including the final maturity date on the Bonds.

"Governmental Authority" means the United States, the State, and any other state or any political subdivision thereof, and any agency, department, commission, board, bureau or instrumentality of any of these, having jurisdiction over the construction, equipping, ownership, leasing, operation and/or maintenance of the Facility.

"Governmental Obligations" means (i) any bonds or other obligations of the United States of America which, as to principal and interest, constitute direct obligations of or are guaranteed by the United States of America, (ii) any bonds, debentures, participation certificates, notes or other obligations of any agency or other corporation which has been or may hereafter be created by or pursuant to an Act of Congress of the United States as an agency or instrumentality thereof, the bonds, debentures, participation certificates, notes or other obligations of which are unconditionally guaranteed by the United States of America, (iii) any bond or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any state (a) which are not callable prior to maturity or as to which irrevocable instructions have been given to the trustee or other fiduciary of such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds for redemption on the date or dates specified in such instructions, (b) which are secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or bonds or other obligations of the character described in clause (i) hereof which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the redemption date or dates specified in the irrevocable instructions referred to in subclause (a) of this clause (iii), as appropriate, and (c) as to which the principal of and interest on the bonds and obligations of the character described in clause (i) hereof which have been deposited in such fund along with any cash on deposit in such fund are sufficient to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this clause (iii) on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (a) of this clause (iii), as appropriate; and (iv) any certificates or other evidences of an ownership interest in obligations of the character described in clauses (i) and (ii) hereof or in specific portions thereof, including, without limitation, portions consisting solely of the principal thereof or solely of the interest thereon.

"Gross Revenues" or "Pledged Revenues" shall have the meaning assigned to such term in the Pledge and Security Agreement.

"Hazardous Materials" means any flammable explosives, radon, radioactive materials, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum, petroleum-based products, methane, hazardous materials, hazardous wastes, hazardous or toxic substances or related materials as set forth in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Sections 9601, et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Sections 1801, et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Sections 6901, et seq.), the Toxic Substances Control Act, as amended (15 U.S.C. Sections 2601, et seq.), Articles 15 or 27 of the New York Environmental Conservation Law, or any other applicable Environmental Law and the regulations promulgated thereunder.

"Holder" or "Holders" means the holder or holders from time to time of the Outstanding principal amount of Bonds.

"Indebtedness" shall mean, without duplication, (i) all indebtedness of the Institution for borrowed moneys or which has been incurred or assumed in connection with the Project, (ii) all indebtedness, no matter how created, secured by the Facility or other property of the Institution, whether or not such indebtedness is assumed by the Institution, (iii) the liability of the Institution under any lease of real or personal property that is properly capitalized on the balance sheet of the Institution in accordance with generally accepted accounting principles, and (iv) any guaranty by the Institution of any other Person for borrowed moneys or which has been incurred or assumed by such Person in connection with the acquisition of property or the leasing of real or personal property which is properly capitalized on the balance sheet of such Person in accordance with generally accepted accounting principles, excluding Indebtedness that has been defeased.

"Indenture" means the Indenture of Trust, dated as of April 1, 2014, by and between the Issuer and the Trustee pursuant to which the Series 2014 Bonds are authorized to be issued, as may be amended or supplemented by any additional Supplemental Indenture.

"Independent Counsel" means an attorney or attorneys or firm or firms of attorneys duly admitted to practice law before the highest court in the State.

"Institution" means Monroe Community College Association, Inc., a not-for-profit corporation and organization described in Section 501(c)(3) of the Code, organized and existing under the laws of the State of New York, with an office located at 1000 East Henrietta Road, Rochester, New York 14623 and its successors and assigns.

"Institution Documents" means the Loan Agreement, the Tax Compliance Agreement, the Pledge and Security Agreement, the Mortgage, the Continuing Disclosure Agreement, the Preliminary Official Statement and the Official Statement.

"Insurance Policy" means (i) with respect to the Series 2014A Bonds, the Series 2014A Insurance Policy and (ii) with respect to the Series 2014B Bonds, the Series 2014B Insurance Policy.

"Insurer" means Assured Guaranty Municipal Corp., a New York stock insurance company, or any successor thereto or assignee thereof.

"Interest Payment Date" means the first day of each January 15 and July 15 (or the next succeeding Business Day if such first day is not a Business Day), commencing with July 15, 2014.

"Issuer" means (i) Monroe County Industrial Development Corporation and its successors and assigns and (ii) any not-for-profit corporation resulting from or surviving any consolidation or merger to which the Monroe County Industrial Development Corporation or its successors or assigns may be a party.

"Issuer Documents" means the Bonds, the Indenture, the Loan Agreement, the Pledge and Assignment, the Assignment of Mortgage and the Tax Compliance Agreement.

"Land" means the real property which is the site of the Facility.

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

"Loan Agreement" means the Loan Agreement, dated as of April 1, 2014, by and between the Issuer and the Institution, pursuant to which the Issuer loans the proceeds of the Bonds to the Institution with the debt-service payments thereunder to be in an amount sufficient to pay, among other things, the principal of and interest on the Bonds.

"Long-Term Indebtedness" means Indebtedness having an original maturity of greater than one (1) year or Indebtedness on which the Institution has an option to extend the maturity thereof for a period of greater than one (1) year beyond the date of the original incurrence thereof.

"Loss Event" means in the event that at any time during the term of the Loan Agreement, the whole or part of the Facility shall be damaged or destroyed, or the whole or any part of the Facility shall be taken or condemned by a competent authority for any public use or purpose, or by agreement between the Institution and those authorized to exercise such right, or if the temporary use of the Facility or any part thereof shall be so taken by condemnation or agreement.

"Maximum Annual Debt Service" means, as applicable, (i) on any date, the greatest amount of Annual Debt Service required in the then current or future Fiscal Year solely with respect to the Series 2014A Bonds or (ii) on any date, the

greatest amount of Annual Debt Service required in the then current or future Fiscal Year solely with respect to the Series 2014B Bonds.

"Mortgage" means the Mortgage and Security Agreement, dated as of April 1, 2014, from the Institution to the Issuer, as assigned to the Trustee pursuant to the Assignment of Mortgage, and as may be amended, modified or supplemented from time to time.

"Mortgaged Premises" shall have the meaning assigned to such term in the Mortgage.

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

"Office of the Trustee" means the corporate trust office of the Trustee located at 525 William Penn Place, 38th Floor, Pittsburgh, Pennsylvania 15259.

"Official Statement" means the Official Statement of the Issuer and the Institution, dated the date thereof, with respect to the offering and sale of the Series 2014 Bonds.

"Operating Revenues Available for Debt Service" means total unrestricted operating revenues, including funds made available for operations from endowment funds and from other temporarily restricted resources, minus total unrestricted operating expenses, excluding depreciation, amortization, and interest expenses as displayed or included in the Institution's audited financial statements produced in accordance with generally accepted accounting principles then applicable to the Institution, and excluding (i) any gains or losses resulting from either the extinguishment of Indebtedness, the sale, exchange or other disposition of capital assets not in the ordinary course of business, (ii) earnings resulting from any reappraisal, revaluation or write-up or write-down of fixed or capital assets, (iii) any non-cash adjustment for changes in accounting estimates, change in generally accepted accounting principles, or other non-cash adjustments made in accordance with generally accepted accounting principles, (iv) extraordinary items, (v) any realized gains or losses on the sale of investments or interest exchange agreements, and (vi) any unrealized gains/appreciation or losses/depreciation on the carrying value of investments or interest exchange agreements.

"Opinion of Counsel" shall mean a written opinion of counsel who may (except as otherwise expressly provided in the Loan Agreement or any other Financing Document) be counsel for the Institution or the Issuer and who shall be acceptable to the Trustee.

"Ordinary Services" and "Ordinary Expenses" means those services normally rendered and those reasonable, out-of-pocket expenses normally incurred by a trustee or paying agent under instruments similar to the Indenture, including reasonable fees and disbursements of counsel to the Trustee.

"Outstanding" or "Bonds Outstanding" or "Outstanding Bonds" means when used with reference to a Bond or Bonds, as of any particular date, all Bonds which have been issued, executed, authenticated and delivered under the Indenture, except:

(i) Bonds cancelled by the Trustee because of payment or redemption prior to maturity or surrendered to the Trustee under the Indenture for cancellation;

(ii) any Bond (or portion of a Bond) for the payment or redemption of which there has been separately set aside and held in the Bond Fund either:

(A) moneys and/or

(B) Defeasance Obligations in such principal amounts, of such maturities, bearing such interest and otherwise having such terms and qualifications as shall be necessary to provide moneys,

in an amount sufficient to effect payment of the principal or applicable Redemption Price of such Bond, together with accrued interest on such Bond to the payment or redemption date, which payment or redemption date shall be specified in irrevocable instructions given to the Trustee to apply such moneys and/or Defeasance Obligations to such payment on the date so specified, provided, that, if such Bond or portion thereof is to be redeemed, notice of such redemption shall have been

given as provided in the Indenture or provision satisfactory to the Trustee shall have been made for the giving of such notice; and

(iii) Bonds in exchange for or in lieu of which other Bonds shall have been authenticated and delivered under Article II of the Indenture, provided, however, that, in determining whether the Holders of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under the Indenture, such Bonds including Series 2014 Bonds owned by the Institution or any affiliate of the Institution shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Trustee knows to be so owned shall be so disregarded. Bonds which have been pledged in good faith to a Person may be regarded as Outstanding for such purposes if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not the Institution or any affiliate of the Institution.

"Parity Obligations" means Long-Term Indebtedness of the Institution incurred in accordance with Section 3.8 of the Pledge and Security Agreement, including obligations of the Institution to one or more commercial banks or financial institutions obligated to contribute to making loans, purchasing bonds or otherwise making funds available as security for the payment of the principal and interest when due on Long-Term Indebtedness of the Institution.

"Participant" means any of those brokers, dealers, banks and other financial institutions from time to time for which the Depository holds Bonds as securities depository.

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

"Permitted Encumbrances" means:

(i) the Pledge and Assignment, the Pledge and Security Agreement, the Indenture, the Mortgage and any other Financing Document;

(ii) liens for real estate taxes, assessments, levies and other governmental charges, the payment of which is not in default;

(iii) utility, access and other easements and rights-of-way restrictions and exceptions that an Authorized Representative of the Institution certifies to the Issuer and the Trustee will not interfere with or impair the Institution's use of the Facility as provided in the Loan Agreement;

(iv) such minor defects, irregularities, encumbrances, easements, rights-of-way and clouds on title as normally exist with respect to property similar in character to the Facility and as do not, either singly or in the aggregate, materially impair the property affected thereby for the purpose for which it is owned by the Institution;

(v) any mechanic's, workmen's, repairmen's, materialmen's, contractors', warehousemen's, carriers', suppliers' or vendors' lien or right in respect thereof if payment is not yet due and payable, or are insured over, or which are not delinquent, or the amount or validity of which, are being contested and execution thereon is stayed or has been due for less than 90 days;

(vi) any mortgage, lien, security interest or other encumbrance which exists in favor of the Trustee;

(vii) any lien on Property, Plant or Equipment, provided, that, the amount of Property, Plant and Equipment encumbered pursuant to this clause (vii) does not exceed ten percent (10%) of the current value of the Property, Plant and Equipment of the Institution, as applicable;

(viii) such other liens and exceptions to title that do not materially impair the value of the Facility as approved in writing by the Trustee;

(ix) deposits, endorsements, guaranties, and other encumbrances incurred in the ordinary course of business and which do not secure Indebtedness;

- (x) liens granted on a parity or subordinate basis with the Liens granted to the Trustee as security for the Bonds to secure indebtedness incurred or permitted pursuant to the Loan Agreement;
- (xi) Liens to secure Indebtedness permitted to be incurred pursuant to the Loan Agreement;
- (xii) any Lien permitted under the Pledge and Security Agreement or the Mortgage; and
- (xiii) those Liens on the Facility in existence as of the date of the Indenture.

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

"Pledge and Assignment" means the Pledge and Assignment, dated as of April 1, 2014, by and between the Issuer and the Trustee, pursuant to which the Issuer assigns to the Trustee substantially all of its rights under the Loan Agreement (except the Unassigned Rights), with acknowledgement thereof by the Institution.

"Pledge and Security Agreement" means the Pledge and Security Agreement, dated as of April 1, 2014, by and between the Institution and the Trustee, as amended or supplemented from time to time.

"Preliminary Official Statement" means the Preliminary Official Statement of the Issuer and the Institution, dated the date thereof, with respect to the offering and sale of the Series 2014 Bonds.

"Prior Bonds" means, collectively, the Series 2002 Bonds and the Series 2006 Bonds.

"Project" means, collectively, the Series 2014A Project and the Series 2014B Project.

"Project Costs" means, collectively, the Series 2014A Project Costs and the Series 2014B Project Costs.

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

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

"Property, Plant and Equipment" shall mean all property of the Institution that is considered net property, plant and equipment under generally accepted accounting principles.

"Rating Agency" means any nationally recognized securities rating agency.

"Rebate Amount" means, with respect to the Series 2014A Bonds, the amount computed as described in the Tax Compliance Agreement.

"Rebate Fund" means, with respect to the Series 2014A Bonds, the fund so designated pursuant to Section 4.01 of the Indenture.

"Record Date" means the Regular Record Date or the Special Record Date, as the case may be.

"Redemption Date" means the date determined by the Trustee, following receipt by the Trustee of notice from the Issuer or the Institution, on behalf of the Issuer, pursuant to the Indenture as the date as of which a redemption shall be effective.

"Redemption Price" means, when used with respect to a Bond, the principal amount thereof plus the applicable redemption premium, if any, payable thereon, plus accrued interest to the Redemption Date.

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

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

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

"Replacement Fund Requirement" means an annual amount, calculated as of the commencement of each Fiscal Year, equal to \$330.00 per bed located in the Facility, which amount shall increase by three percent (3%) each Fiscal Year.

"Reporting Date" means the reporting date of compliance with Section 6.20 and Section 6.22 of the Loan Agreement, such date being no later than one hundred fifty (150) days following the end of each Fiscal Year, commencing with the Fiscal Year ending June 30, 2015.

"Request for Disbursement" means a request for disbursement by the Institution to the Trustee substantially in the form of Exhibit B attached to the Indenture.

"Reserve Policy" means (i) with respect to the Series 2014A Bonds, the Insurer's Municipal Bond Debt Service Reserve Insurance Policy in an amount not to exceed fifty percent (50%) of the applicable Maximum Annual Debt Service and (ii) with respect to the Series 2014B Bonds, the Insurer's Municipal Bond Debt Service Reserve Insurance Policy in an amount not to exceed fifty percent (50%) of the applicable Maximum Annual Debt Service.

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

"Series 2002 Bonds" means the \$15,910,000 original principal amount Variable Rate Demand Revenue Bonds (Monroe Community College Association, Inc. Project), Series 2002A issued by the County of Monroe Industrial Development Agency.

"Series 2006 Bonds" means the \$18,295,000 original principal amount Variable Rate Demand Revenue Bonds (Monroe Community College Association, Inc. Project), Series 2006A issued by the County of Monroe Industrial Development Agency.

"Series 2014 Bonds" means, collectively, the Series 2014A Bonds and the Series 2014B Bonds.

"Series 2014A Bond Account" means the account so designated and created pursuant to Section 4.01 of the Indenture.

"Series 2014A Bonds" means the Issuer's \$31,615,000 original principal amount Monroe County Industrial Development Corporation Tax-Exempt Revenue Refunding Bonds (Monroe Community College Association, Inc. Project), Series 2014A.

"Series 2014A Bond Proceeds" means the sum of the face amount of the Series 2014A Bonds plus accrued interest, if any, premium, if any, less the sum of the original issue discount plus the underwriter's spread or similar discount, if any.

"Series 2014A Debt Service Fund Reserve Account" means the account so designated and created pursuant to Section 4.01 of the Indenture.

"Series 2014A Earning Account" means the account so designated and created pursuant to Section 4.01 of the Indenture.

"Series 2014A Insurance Policy" means the municipal bond insurance policy issued by the Insurer guaranteeing the scheduled payment of principal and interest on the Series 2014A Bonds when due.

"Series 2014A Project" shall have the meaning assigned to such term in the WHEREAS paragraphs of the Indenture.

"Series 2014A Project Account" means the account so designated and created pursuant to Section 4.01 of the Indenture.

"Series 2014A Project Costs" shall have the meaning assigned to such term in the WHEREAS paragraphs of the Indenture.

"Series 2014B Bond Account" means the account so designated and created pursuant to Section 4.01 of the Indenture.

"Series 2014B Bonds" means the Issuer's \$2,720,000 original principal amount Monroe County Industrial Development Corporation Taxable Revenue Bonds (Monroe Community College Association, Inc. Project), Series 2014B.

"Series 2014B Bond Proceeds" means the sum of the face amount of the Series 2014B Bonds plus accrued interest, if any, premium, if any, less the sum of the original issue discount plus the underwriter's spread or similar discount, if any.

"Series 2014B Debt Service Fund Reserve Account" means the account so designated and created pursuant to Section 4.01 of of the Indenture.

"Series 2014B Earning Account" means the account so designated and created pursuant to Section 4.01 of the Indenture.

"Series 2014B Insurance Policy" means the municipal bond insurance policy issued by the Insurer guaranteeing the scheduled payment of principal and interest on the Series 2014B Bonds when due.

"Series 2014B Project" shall have the meaning assigned to such term in the WHEREAS paragraphs of the Indenture.

"Series 2014B Project Account" means the account so designated and created pursuant to Section 4.01 of the Indenture.

"Series 2014B Project Costs" shall have the meaning assigned to such term in the WHEREAS paragraphs of the Indenture.

"Short-Term Indebtedness" means any Indebtedness that is not Long-Term Indebtedness.

"Special Record Date" means a date for the payment of interest on the Bonds after an Event of Default has occurred fixed by the Trustee pursuant to Section 2.03(b) of the Indenture.

"State" means the State of New York.

"Supplemental Indenture" means any indenture supplemental to or amendatory of the Indenture, which may be executed by the Issuer and the Trustee in accordance with Article X of the Indenture.

"Tax Compliance Agreement" means, with respect to the Series 2014A Bonds, the Tax Compliance Agreement, dated the Closing Date, by and between the Issuer and the Institution, as the same may be amended, modified or supplemented from time to time in accordance with the terms thereof and the Indenture.

"Tax-Exempt Organization" means any corporation (or other entity) determined by the Internal Revenue Service to be exempt from taxation for federal income tax purposes pursuant to Section 501(c)(3) and Section 509(a) of the Code.

"Tax Incidence Date" means the date as of which interest on the Bonds first becomes taxable as a result of the occurrence of a Determination of Taxability.

"Taxable Rate" means, with respect to the Series 2014A Bonds, the lesser of twelve percent (12%) per annum or the maximum rate permitted by law, that being the rate at which interest accrues on the Series 2014A Bonds from and after the Tax Incidence Date.

"Testing Date" means the last day of the Institution's Fiscal Year.

"Title Insurance Company" means Stewart Title Insurance Company.

"Trustee" means The Bank of New York Mellon, a banking corporation organized and existing under the laws of the State of New York, as Trustee under the Indenture, and any corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at the time serving as such hereunder.

"Trust Estate" means all Property which may from time to time become subject to the Lien of the Indenture.

"Unassigned Rights", "Reserved Rights" or "Issuer's Reserved Rights", shall mean collectively:

(i) the right of the Issuer in its own behalf to receive all Opinions of Counsel, reports, financial statements, certificates, insurance policies, binders or certificates, or other notices or communications required to be delivered to the Issuer under the Loan Agreement;

(ii) the right of the Issuer to grant or withhold any consents or approvals required of the Issuer under the Loan Agreement;

(iii) the right of the Issuer to enforce, in its own behalf, the obligation of the Institution to complete the Project;

(iv) the right of the Issuer, in its own behalf (or on behalf of the appropriate taxing authorities), to enforce, receive amounts payable under or otherwise exercise its rights under Sections 1.5, 2.1, 2.2, 3.1, 4.1, 4.2, 4.3, 4.4, 4.5, 4.6, 4.7, 5.1, 6.1, 6.2, 6.3, 6.5, 6.6, 6.10, 6.11, 6.13, 6.18, 6.19, 7.7, 8.1, 8.2, 8.4, 9.3, 9.10, 9.13, 9.17, 9.18 and 9.19 of the Loan Agreement; and

(v) the right of the Issuer, in its own behalf, to declare an Event of Default under Section 7.1 of the Loan Agreement with respect to any of the Issuer's Reserved Rights.

"Underwriter" means Janney Montgomery Scott LLC, and its successors or assigns.

"Unrestricted Operating Revenues" means total unrestricted operating revenues, including funds made available for operations from endowment funds and from other temporarily restricted resources as displayed or included in the Institution's audited financial statements produced in accordance with generally accepted accounting principles then applicable to the Institution, and excluding (i) any gains resulting from either the extinguishment of Indebtedness, the sale, exchange or other disposition of capital assets not in the ordinary course of business, (ii) earnings resulting from any reappraisal, revaluation or write-up or write-down of fixed or capital assets, (iii), any realized gains on the sale of investments or interest exchange agreements and (iv) any unrealized gains/appreciation on the carrying value of investments or interest exchange agreements.

APPENDIX – D

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following description of certain provisions of the Indenture is only a brief outline of some of the provisions thereof, and does not purport to summarize or describe all of the provisions thereof. Reference is made to the Indenture for details of the provisions thereof.

All terms not otherwise defined below shall have the meaning given to such terms in Appendix C attached to the Official Statement.

Delivery of Series 2014 Bonds

Upon the execution and delivery of the Indenture, the Issuer shall execute and deliver the Series 2014 Bonds to the Trustee and the Trustee shall authenticate the Series 2014 Bonds and deliver them upon receipt of the Bond Proceeds in accordance with the directions of the Issuer and the provisions of the Indenture. (Section 2.07)

Additional Bonds

(a) The Issuer may issue Additional Bonds under the Indenture from time to time on a pari passu basis with the Series 2014 Bonds issued under the Indenture for any of the purposes listed below:

- (1) To pay the cost of completing the Project or to reimburse expenditures of the Institution for any such costs;
- (2) To pay the cost of Capital Additions or to reimburse expenditures of the Institution for any such cost;
- (3) To pay the cost of refunding through redemption of any Outstanding Bonds issued under the Indenture and subject to such redemption; or
- (4) To pay the cost of any additional project approved by the Issuer.

(b) In any such event the Trustee shall, at the written request of the Issuer, authenticate the Additional Bonds and deliver them as specified in the request, but only upon receipt of:

(1) (A) a Supplemental Indenture setting forth the terms of the Additional Bonds and, for Additional Bonds described in subsection (a)(2) or (4) above, describing the Capital Additions to become part of the Facility; and (B) a supplement to the Loan Agreement providing for additional Debt Service Payments to be made by the Institution sufficient to cover the debt service due on the Additional Bonds.

(2) For Additional Bonds described in subsection (a)(1), (a)(2) or (a)(4) above, a certificate signed by the chief executive officer and chief financial officer of the Institution stating that the proceeds of the Additional Bonds plus other amounts, if any, available to the Institution for the purpose will be sufficient to pay the cost thereof; and (ii) payments and additional payments, if any, scheduled to be paid by the Institution under the Loan Agreement will be adequate to satisfy all of the Debt Service Payments required to be made on the Bonds to remain Outstanding during the remaining life thereof; provided, however, such Additional Bonds shall not be issued to cure any deficiencies existing on the date of such certification in any funds required to be maintained under the Indenture;

(3) For Additional Bonds described in subsection (a)(1) above, (i) a certificate of the Institution stating the estimated cost of completion of the Project;

(4) For Additional Bonds described in subsection (a)(3) above, (A) a certificate of an Authorized Representative of the Institution that notice of redemption of the Bonds to be refunded has been given or that provisions have been made therefor, and (B) a certificate of an Accountant stating that the proceeds of the Additional Bonds plus the other amounts, if any, stated to be available for the purpose, will be sufficient to

accomplish the purpose of the refunding and to pay the cost of refunding, which shall be itemized in reasonable detail;

(5) For any Additional Bonds, a certified resolution of the Issuer (A) stating the purpose of the issue, (B) establishing the series of Additional Bonds to be issued and providing the terms and form of Additional Bonds thereof and directing the payments to be made into the funds established under the Indenture, (C) authorizing the execution and delivery of the Additional Bonds to be issued and (D) authorizing redemption of any previously issued Bonds which are to be refunded;

(6) For any Additional Bonds, a certificate of an Authorized Representative of the Institution stating (A) that no Event of Default under the Indenture or under the Loan Agreement has occurred and is continuing and (B) that the proceeds of the Additional Bonds plus other amounts, if any, stated to be available for that purpose will be sufficient to pay the costs for which the Additional Bonds are being issued, which shall be itemized in reasonable detail;

(7) For any Additional Bonds, a certified resolution of the Board of Trustees of the Institution (A) approving the issuance of the Additional Bonds and the terms thereof, (B) authorizing the execution of any required amendments or supplements to the Indenture and the Loan Agreement, (C) for Additional Bonds described in subsection (a)(2) above, approving plans and specifications for the addition, and (D) for Additional Bonds described in subsection (a)(3) above, authorizing redemption of the Bonds to be refunded;

(8) For any Additional Bonds, an opinion or opinions of Bond Counsel to the effect that (A) the purpose of the Additional Bonds is one for which Additional Bonds may be issued under the Indenture, (B) all conditions prescribed in the Indenture as precedent to the issuance of the Additional Bonds have been fulfilled, (C) the Additional Bonds have been validly authorized and executed and when authenticated and delivered pursuant to the request of the Issuer will be valid, legally binding, special obligations of the Issuer, and are entitled to the benefit and security of the Indenture, (D) all consents of any regulatory bodies required as a condition to the valid issuance of the Additional Bonds have been obtained and (E) issuance of such Additional Bonds will not adversely affect the tax status of Outstanding Bonds;

(9) For any Additional Bonds, a certificate of an Authorized Representative of the Institution containing pro forma calculations demonstrating a Debt Service Coverage Ratio of 1.20:1.00 or higher for the two (2) consecutive preceding Fiscal Years for which audited financial statements are available taking into account the Additional Bonds proposed to be issued. Pursuant to the Indenture, such calculation shall take into account any Policy Costs due and owing.

(10) For Additional Bonds described in Subsection (a)(1), (a)(2) or (a)(4) above, an opinion of Independent Counsel to the Institution reasonably acceptable to the Issuer. (Section 2.13)

Establishment of Funds and Accounts; Application of Series 2014 Bond Proceeds and Allocation Thereof

The Indenture requires the establishment of the following trust funds and accounts with the Trustee: (i) the Project Fund, in which there are two accounts, the Series 2014A Project Account and the Series 2014B Project Account, (ii) the Bond Fund, in which there are two accounts, the Series 2014A Bond Account and the Series 2014B Bond Account, (iii) the Renewal Fund, in which there are two accounts, the Series 2014A Renewal Account and the Series 2014B Renewal Account, (iv) the Rebate Fund, in which there are two accounts, the Principal Account and the Earnings Account, (v) the Debt Service Reserve Fund, in which there are two accounts, the Series 2014A Debt Service Reserve Fund Account, in which there are two sub-accounts, the Principal Account and the Earnings Account, and the Series 2014B Debt Service Reserve Fund Account, in which there are two sub-accounts, the Principal Account and the Earnings Account, (vi) the Earnings Fund, in which there are two accounts, the Series 2014A Earnings Account and the Series 2014B Earnings Account, and (vii) the Replacement Fund. Upon the receipt of the proceeds of the Bonds, the Trustee shall deposit such proceeds as follows: (a) in the (1) Series 2014A Bond Account: all accrued interest, if any, paid by the purchaser of the Series 2014A Bonds and (2) Series 2014B Bond Account: all accrued interest, if any, paid by the purchaser of the Series 2014B Bonds; (b) in the (1) Series 2014A Debt Service Reserve Fund Account: an amount equal to fifty percent (50%) of the Debt Service Reserve Fund Requirement with respect to the Series 2014A Bonds and (2) Series 2014B Debt Service Reserve Fund Account: an amount equal to fifty percent (50%) of the Debt Service Reserve Fund Requirement with respect to the Series 2014B Bonds; and (c) in the (1) Series 2014A Project Account: the balance of the proceeds received from the sale of the Series 2014A Bonds, with, among other items, payment therefrom to the Insurer for payment of the premium for the Insurance Policy and the Reserve

Policy and (2) Series 2014B Project Account: the balance of the proceeds received from the sale of the Series 2014B Bonds, with, among other items, payment therefrom to the Insurer for payment of the premium for the Insurance Policy and the Reserve Policy. (Section 4.01 and 4.02)

Use of the Moneys in the Project Fund

Moneys in the Project Fund shall be applied and expended by the Trustee in accordance with the provisions of the Loan Agreement and the Indenture. The Trustee is authorized to disburse from the (i) Series 2014A Project Account the amount required for the payment and refunding in full of the Prior Bonds and costs of issuance in connection with the Series 2014A Bonds and (ii) Series 2014B Project Account the payment of the termination fee pursuant to that certain 2002 Master Agreement, dated September 21, 2006, by and between the Institution and JPMorgan Chase Bank, National Association and costs of issuance in connection with the Series 2014B Bonds, and is directed to issue its checks (or, at the written direction of the Institution, make wire transfers) for each disbursement from the applicable account of the Project Fund upon being furnished certain documents as required by the Indenture. If an Event of Default shall occur under the Indenture and the Outstanding principal amount of the Bonds shall have been declared due and payable pursuant to the Indenture, the entire balance remaining in the Project Fund after making any required transfer to the Rebate Fund shall be transferred to the applicable account of the Bond Fund. (Section 4.04)

Payments into the Bond Fund; Use of Moneys in the Bond Fund

The Trustee shall deposit into the Bond Fund when and as received the following: (i) the accrued interest, if any, as provided in the Indenture, (ii) any and all payments received by the Trustee under the Loan Agreement, (iii) the balance in the Project Fund, the Renewal Fund, the Earnings Fund and the Rebate Fund to the extent specified in the Indenture, (iv) the amount of net income or gain received from the investment of moneys in the Bond Fund, (v) the amounts transferred from the Debt Service Reserve Fund pursuant to the Indenture and (vi) all other moneys received by the Trustee under and pursuant to any of the provisions of the Loan Agreement or the Indenture which by the terms of the Loan Agreement or the Indenture are required to be or which are accompanied by directions that such moneys are to be paid into the Bond Fund. (Section 4.05)

So long as there remain any Bonds Outstanding, moneys in the Bond Fund shall be used solely for the payment, when due, of Debt Service Payments on the Bonds or for the redemption of the Bonds as provided in the Indenture. (Section 4.06)

Payments into Renewal Fund; Application of Renewal Fund

The Net Proceeds resulting from any casualty insurance proceeds or Condemnation award with respect to the Facility deposited or delivered to the Trustee pursuant to the Loan Agreement shall be deposited in the Renewal Fund. The amounts in the Renewal Fund shall be subject to a security interest, lien and charge in favor of the Trustee until disbursed as provided in the Indenture. The Trustee is authorized under the Indenture to apply the amounts in the Renewal Fund to the payment (or reimbursement to the extent the same have been paid by or on behalf of the Institution or the Issuer) of the costs required for the rebuilding, replacement, repair and restoration of the Facility upon written instructions from the Institution. The Trustee is further authorized and directed to issue its checks for each disbursement from the Renewal Fund upon a requisition submitted to the Trustee, signed by an Authorized Representative of the Institution. (Section 4.07)

Payments Into Earnings Fund; Application of Earnings Fund

All investment income or earnings on amounts held in the applicable accounts of Project Fund, the Renewal Fund, the Replacement Fund, the Earnings Fund or any other special fund held with respect to the Bonds under any of the Financing Documents (other than the Rebate Fund, the Debt Service Reserve Fund or the Bond Fund) shall be deposited upon receipt by the Trustee into the applicable account of the Earnings Fund. Within thirty (30) days after the end of each Bond Year, or such later date that the Trustee receives the written certificate required to be delivered by or on behalf of the Institution pursuant to the Indenture and the Tax Compliance Agreement, the Trustee shall withdraw from the Series 2014A Earnings Account of the Earnings Fund an amount equal to the difference, if any, between the Rebate Amount set forth in such certificate and the amount then on deposit in the Rebate Fund. Any amounts remaining in the Series 2014A Earnings Account of the Earnings Fund following such transfer shall be transferred to the funds, as specifically directed by the Institution, which were the sources of the earnings deposited into the Series 2014A Earnings Account of the Earnings Fund. If an Event of Default under the Indenture shall have occurred and the outstanding principal amount of the Bonds shall have been declared due and payable, the entire balance remaining in the applicable earnings account of the Earnings Fund, after

making the transfer to the Rebate Fund required in the Tax Compliance Agreement and the Indenture with respect to the Series 2014A Bonds, shall be transferred to the applicable account of the Bond Fund and applied in accordance with the Indenture. Amounts in the Series 2014B Earnings Account of the Earnings Fund, shall be transferred by the Trustee to the Series 2014B Bond Account of the Bond Fund. (Section 4.08)

Payments Into Rebate Fund; Application of Rebate Fund

The Rebate Fund and the amounts deposited therein shall not be subject to a security interest, pledge, assignment, Lien or charge in favor of the Trustee, the Owner of any Series 2014A Bond or any other Person.

The Trustee, upon the receipt of a certification of the Rebate Amount from an Authorized Representative of the Institution, in accordance with the Tax Compliance Agreement, shall deposit in the Rebate Fund Principal Account within thirty (30) days after the end of each Bond Year, or such later date that the Trustee receives such certification from the Institution, an amount such that the amount held in the Rebate Fund Principal Account after such deposit is equal to the Rebate Amount calculated as of the last day of the prior Bond Year. If there has been delivered to the Trustee a certification of the Rebate Amount in conjunction with the completion of the Facility pursuant to the Tax Compliance Agreement at any time during a Bond Year the Trustee shall deposit in the Rebate Fund Principal Account within thirty (30) days of the completion date, or such later date that the Trustee receives such certification from the Institution, an amount such that the amount held in the Rebate Fund Principal Account after such deposit is equal to the Rebate Amount calculated at the completion date. The amounts deposited in the Rebate Fund Principal Account pursuant to the Indenture shall be withdrawn from the Series 2014A Earnings Account of the Earnings Fund, to the extent of any moneys therein, and then, to the extent of any deficiency, from such fund or funds as are designated by the Institution to the Issuer and the Trustee in writing.

In the event that on the first day of any Bond Year the amount on deposit in the Rebate Fund Principal Account exceeds the Rebate Amount, the Trustee, upon the receipt of written instructions from an Authorized Representative of the Institution, shall withdraw such excess amount and deposit it in the Series 2014A Bond Account.

The Trustee, upon the receipt of written instructions from an Authorized Representative of the Institution, shall pay to the United States, out of amounts in the Rebate Fund, (i) not later than thirty (30) days after the last day of the fifth Bond Year and after every fifth Bond Year thereafter, an amount equal to ninety percent (90%) of the balance, if any, in the Rebate Fund Principal Account and the total amount on the Rebate Fund Earnings Account as of the date of such payment and (ii) in accordance with the Indenture, not later than thirty (30) days after the date on which all Series 2014A Bonds have been paid in full, the balance in the Rebate Fund. (Section 4.09)

Payments Into Debt Service Reserve Fund; Application of Debt Service Reserve Fund

On the Closing Date, the Trustee shall (1)(i) in accordance with the Indenture, deposit to the credit of the Series 2014A Debt Service Reserve Fund Account from the proceeds of the sale of Series 2014A Bonds, an amount equal to fifty percent (50%) of the applicable Debt Service Reserve Fund Requirement and (ii) deposit to the credit of the Series 2014A Debt Service Reserve Fund Account, the applicable Reserve Policy and (2)(i) in accordance with the Indenture, deposit to the credit of the Series 2014B Debt Service Reserve Fund Account from the proceeds of the sale of Series 2014B Bonds, an amount equal to fifty percent (50%) of the applicable Debt Service Reserve Fund Requirement and (ii) deposit to the credit of the Series 2014B Debt Service Reserve Fund Account, the applicable Reserve Policy. The Trustee shall make additional deposits in connection with the issuance of Additional Bonds if and to the extent required, with such amounts to be deposited into separate accounts established under the Supplemental Indenture delivered in connection with the issuance of such Additional Bonds.

All net income or gain received from investments of amounts held in the Debt Service Reserve Fund shall be deposited in the Earnings Account of the applicable account of the Debt Service Reserve Fund.

If an Event of Default shall have occurred and the outstanding principal of the Bonds shall have become due and payable pursuant to the Indenture, the entire balance in the applicable account of the Debt Service Reserve Fund shall, after making any transfer to the Rebate Fund required by the Tax Compliance Agreement and the Indenture, be transferred by the Trustee into the applicable account of the Bond Fund. (Section 4.10)

Payments Into Replacement Fund; Application of Replacement Fund

There shall be deposited by the Trustee into the Replacement Fund when and as received any and all payments received by the Trustee under Section 6.23 of the Loan Agreement.

All net income or gain received from investments of amounts held in the Replacement Fund shall be transferred by the Trustee and deposited in the applicable account of the Earnings Fund.

Moneys in the Replacement Fund may be used for the following purposes: (i) constructing or acquiring replacements of real or personal property constituting a part of the Facility that have become worn out, unusable or otherwise obsolete, (ii) making capital improvements to the Facility, (iii) making renewals, betterments or other expenditures required to maintain the Facility, or (iv) reimbursing the Institution for amounts theretofore expended by the Institution for the foregoing purposes, in each case on presentation to the Trustee of a requisition and certificate, signed by an Authorized Representative of the Institution (and, if an Event of Default has occurred under the Indenture, the Insurer); provided, however, and notwithstanding the foregoing, the Trustee shall first apply the funds in the Replacement Fund to make up any deficiency in the applicable account of the Bond Fund to pay the principal of and interest on the Series 2014A Bonds without the necessity of a disbursement request from the Institution. (Section 4.10A)

Investment of Moneys

Moneys held in any fund established under the Indenture (other than the Bond Fund) shall be invested and reinvested by the Trustee in Authorized Investments, pursuant to direction by the Authorized Representative of the Institution. Moneys held in the Bond Fund shall be invested and reinvested, pursuant to direction by the Authorized Representative of the Institution, only in Governmental Obligations maturing as needed. (Section 4.11)

Payment to Institution Upon Payment of Bonds

Except as otherwise specifically provided in the Indenture, after payment in full of (1) the principal of, premium, if any, and interest on all the Bonds (or after provision for the payment thereof has been made in accordance with the Indenture), (2) the fees, charges and expenses of the Trustee and Paying Agent and (3) all other amounts required to be paid under the Indenture, the Mortgage and the Loan Agreement, and provided that all moneys required to be paid into the Rebate Fund have been paid or adequately provided for, all amounts remaining in any fund established pursuant to the Indenture (except the Rebate Fund) or otherwise held by the Trustee and by any additional Paying Agent for the account of the Issuer or the Institution under the Indenture and the Loan Agreement shall be paid to the Institution. (Section 4.12)

Duties with Respect to Insurance Policy

As long as the Insurance Policy shall be in force and effect, the Trustee agrees to comply with the following procedures, and the registered Holders of the Series 2014 Bonds irrevocably designate, appoint, direct and authorize the Trustee to act as attorney-in-fact for such Holders in connection with the following procedures:

(a) If, on the third (3rd) Business Day prior to an Interest Payment Date or principal payment date ("Payment Date") there is not on deposit with the Trustee, after making all transfers and deposits required under the Indenture, moneys sufficient to pay the principal of and interest on the Series 2014 Bonds due on such Payment Date, the Trustee shall give notice to the Insurer and to its designated agent (if any) (the "Insurer's Fiscal Agent") by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If on the second (2nd) Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Series 2014 Bonds due on such Payment Date, the Trustee shall make a claim under the Insurance Policy and give notice to the Insurer and the Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Series 2014 Bonds and the amount to pay principal on the Series 2014 Bonds, confirmed in writing to the Insurer and the Insurer's Fiscal Agent (if any) by 12:00 noon, on such second (2nd) Business Day by filling in the form of notice of claim and certificate delivered with the Insurance Policy.

(b) Upon payment of a claim under the Insurance Policy, the Trustee shall establish a separate special purpose trust account for the benefit of Holders referred to in the Indenture as the "Policy Payments Account" and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the Insurance Policy in trust on behalf of Holders and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be

disbursed by the Trustee to Holders in the same manner as principal and interest payments are to be made with respect to the Series 2014 Bonds under the sections of the Indenture regarding payment of Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything in the Indenture to the contrary, the Issuer agrees to pay or cause to be paid to the Insurer (i) a sum equal to the total of all amounts paid by the Insurer under the Insurance Policy (the "Insurer Advances"); and (ii) interest on such Insurer Advances from the date paid by the Insurer until payment thereof in full, payable to the Insurer at the Late Payment Rate per annum (collectively, the "Insurer Reimbursement Amounts"). "Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. The Issuer, under the Indenture, covenants and agrees that the Insurer Reimbursement Amounts are secured by a lien on and pledge of the Trust Estate and payable from such Trust Estate on parity with debt service due on the Series 2014 Bonds.

(c) Funds held in the Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee. Any funds remaining in the Policy Payments Account following a Payment Date shall be promptly remitted to the Insurer.

(d) The Trustee shall designate any portion of payment of principal on Series 2014 Bonds paid by the Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Series 2014 Bonds registered to the then current Bondholder, whether DTC or its nominee or otherwise, and shall issue a replacement Bond to the Insurer, registered in the name of Assured Guaranty Municipal Corp., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee's failure to so designate any payment or issue any replacement Bond shall have no effect on the amount of principal or interest payable by the Issuer on any Bond or the subrogation rights of the Insurer. The Trustee shall keep a complete and accurate record of all funds deposited by the Insurer into the Policy Payments Account and the allocation of such funds to payment of interest on and principal of any Bond. The Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Trustee. (Section 4.14)

Payments Due on Other Than Business Days

In any case where a Bond Payment Date shall not be a Business Day, then payment of the principal of, premium, if any, and interest on the Bonds need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date due and no interest shall accrue for the period after such date. (Section 5.14)

Rights of the Insurer

So long as the Insurance Policy is in full force and effect, the Issuer and the Trustee, under the Indenture, agree for the benefit of the Insurer that, notwithstanding anything to the contrary contained in the Indenture:

(a) Other than with respect to the Reserve Policy, the prior written consent of the Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Debt Service Reserve Fund. Notwithstanding anything contained in the Indenture to the contrary, amounts on deposit in the Debt Service Reserve Fund shall be applied solely to the payment of debt service on the Series 2014 Bonds.

(b) The Insurer shall be deemed to be the sole holder of the Series 2014 Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the Holders are entitled to take pursuant to the Indenture pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Trustee.

(c) Prior to acceleration of Series 2014 Bonds under the Indenture, the Trustee shall obtain the prior written consent of the Insurer. The Insurer may elect, in its sole discretion, to pay accelerated principal and interest accrued, on such principal to the date of acceleration (to the extent not paid by the Institution) and the Trustee shall accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date, the Insurer's obligations under the Insurance Policy with respect to such Series 2014 Bonds shall be fully discharged.

(d) No grace period for a covenant default under the Indenture shall exceed thirty (30) days or be extended for more than sixty (60) days, without the prior written consent of the Insurer. No grace period shall be permitted for payment defaults.

(e) The Insurer shall be deemed as a third party beneficiary to the Indenture.

(f) Any amendment, supplement, modification to, or waiver of, the Indenture, the Loan Agreement, the Pledge and Security Agreement, the Mortgage, any other Financing Document or any other related document, that requires the consent of the Holders or adversely affects the rights and interests of the Insurer shall be subject to the prior written consent of the Insurer.

(g) Unless the Insurer otherwise directs, upon the occurrence and continuance of an Event of Default or an event which with notice or lapse of time would constitute an Event of Default, amounts on deposit in the Project Fund shall not be disbursed and shall instead be applied to the payment of the principal of, interest on and redemption price of the Series 2014 Bonds.

(h) The rights granted to the Insurer under the Indenture or under any other related document to request, consent to or direct any action are rights granted to the Insurer in consideration of its issuance of the Insurance Policy. Any exercise of the Insurer of such rights is solely an exercise of the Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Holders and such action does not evidence any position of the Insurer, affirmative or negative, as to whether the consent of the Holders or any other person is required in addition to the consent of the Insurer.

(i) Amounts paid by the Insurer under the Insurance Policy shall not be deemed paid for purposes of the Indenture and the Series 2014 Bonds relating to such payments shall remain Outstanding and continue to be due and owing until paid (or caused to be paid) by the Issuer in accordance with the terms of the Indenture. The Indenture shall not be discharged unless all amounts due or to become due to the Insurer have been paid in full or duly provided for.

(j) Each of the Issuer and the Trustee covenant and agree to take such action (including, as applicable, filing of UCC financing statements and continuations thereof) as is necessary from time to time to preserve the priority of the pledge of the Trust Estate under all applicable law.

(k) The Insurer shall, to the extent it makes any payment of principal or of interest on the Series 2014 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Insurance Policy. Each obligation of the Issuer to the Insurer under the Indenture and related documents shall survive discharge or termination of the Indenture and any such related documents.

(l) The Issuer shall pay (or cause to be paid) or reimburse (or cause to be reimbursed) the Insurer any and all charges, fees, costs and expenses that the Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in the Indenture and any related document; (ii) the pursuit of any remedies under the Indenture or any related document or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, the Indenture or any related document whether or not executed or completed, or (iv) any litigation or other dispute in connection with the Indenture or any related document or the transactions contemplated thereby, other than costs resulting from the failure of the Insurer to honor its obligations under the Insurance Policy. The Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Indenture or any related document.

(m) After payment of reasonable expenses of the Trustee, the application of funds realized upon default shall be applied to the payment of expenses of the Issuer or rebate only after the payment of past due and current debt service on the Series 2014 Bonds and amounts required to restore the Debt Service Reserve Fund to the Debt Service Reserve Requirement.

(n) The Insurer shall be entitled to pay principal or interest on the Series 2014 Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Insurance Policy) and any amounts due on the Series 2014 Bonds as a result of acceleration of the maturity thereof in accordance with the Indenture, whether or not the Insurer has received a Notice of Nonpayment (as such terms are defined in the Insurance Policy) or a claim upon the Insurance Policy.

(o) The notice address of the Insurer is provided in the Indenture. In each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

(p) The Insurer shall be provided with the certain information, in accordance with the Indenture, by the Issuer or Trustee, as the case may be.

(q) The Insurer shall have the right to receive such additional information as it may reasonably request.

(r) The Institution will permit the Insurer to discuss the affairs, finances and accounts of the Institution or any information the Insurer may reasonably request regarding the security for the Series 2014 Bonds with appropriate officers of the Issuer and the Institution and will use commercially reasonable efforts to enable the Insurer to have access to the facilities, books and records of the Institution on any business day upon reasonable prior notice.

(s) The Trustee shall notify the Insurer of any failure of the Issuer or the Institution to provide notices, certificates and other information under the transaction documents.

(t) Notwithstanding satisfaction of the other conditions to the issuance of Additional Bonds set forth in the Indenture, no such issuance may occur (1) if an Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) exists unless such default shall be cured upon such issuance and (2) unless the Debt Service Reserve Fund is fully funded at the Debt Service Reserve Requirement (including the proposed issue) upon the issuance of such Additional Bonds, in either case unless otherwise permitted by the Insurer.

(u) In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under the Indenture would adversely affect the security for the Series 2014 Bonds or the rights of the Bondholders, the Trustee shall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no Insurance Policy.

(v) No contract shall be entered into or any action taken by which the rights of the Insurer or security for or sources of payment of the Series 2014 Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Insurer.
(Section 5.21)

Provisions Regarding the Reserve Policy

So long as the Reserve Policy is in full force and effect, the Issuer and the Trustee, under the Indenture, agree for the benefit of the Insurer that, notwithstanding anything to the contrary contained in the Indenture:

(a) The Issuer shall repay or shall cause the Institution to repay any draws under the Reserve Policy and pay all related reasonable expenses incurred by Insurer. Interest shall accrue and be payable on such draws and expenses from the date of payment by Insurer at the Late Payment Rate (as defined in the Indenture).

Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, "Policy Costs") shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to Insurer shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to Insurer on account of principal due, the coverage under the Reserve Policy will be increased by a like amount, subject to the terms of the Reserve Policy.

All cash and investments in the Debt Service Reserve Fund established for the Series 2014 Bonds shall be transferred to the Bond Fund for payment of debt service on Series 2014 Bonds before any drawing may be made on the Reserve Policy or any other credit facility credited to the Debt Service Reserve Fund in lieu of cash (the "Credit Facility"). Payment of any Policy Costs shall be made prior to replenishment of any such cash amounts. Draws on all Credit Facilities (including the Reserve Policy) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Debt Service Reserve Fund. Payment of Policy Costs and reimbursement of amounts with respect to other Credit Facilities shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Debt Service Reserve Fund. For the avoidance of doubt,

"available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

(b) If the Issuer or the Institution shall fail to pay any Policy Costs in accordance with the requirements of the Indenture, the Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Indenture other than (i) acceleration of the maturity of the Series 2014 Bonds or (ii) remedies which would adversely affect owners of the Series 2014 Bonds.

(c) The Indenture shall not be discharged until all Policy Costs owing to Insurer shall have been paid in full. The Issuer's obligation to pay such amounts shall expressly survive payment in full of the Series 2014 Bonds.

(d) The Additional Bonds test under the Indenture and the Debt Service Coverage Ratio under the Loan Agreement shall hereby provide for at least one times coverage of the Policy Costs then due and owing.

(e) The Trustee, under the Indenture, agrees to ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of the Indenture and to provide notice to Insurer in accordance with the terms of the Reserve Policy at least five (5) Business Days prior to each date upon which interest or principal is due on the Series 2014 Bonds. Where deposits are required to be made by the Institution with the Trustee to the Bond Fund for the Series 2014 Bonds more often than semi-annually, the Trustee shall be instructed to give notice to Insurer of any failure of the Institution to make timely payment in full of such deposits within two (2) Business Days of the date due. (Section 5.22)

Priority Rights of Trustee

The rights and privileges of the Institution set forth in the Loan Agreement are specifically made subject and subordinate to the rights and privileges under the Financing Documents of the Trustee and the Holders of the Bonds. (Section 6.01)

Defeasance of Bonds

Any Outstanding Bond shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning of, and with the effect expressed in, the Indenture if: (i) there shall have been irrevocably deposited with the Trustee sufficient Defeasance Obligations, in accordance with the Indenture, which will, without further investment, be sufficient, together with other amounts held for such payment, to pay the principal of the Bonds when due or to redeem the Bonds at the Redemption Price, if any, specified in the Indenture (ii) in the event such Bonds are to be redeemed prior to maturity in accordance with the Indenture, all action required by the provisions of the Indenture to redeem the Bonds shall have been taken or provided for to the satisfaction of the Trustee, and notice thereof in accordance with the Indenture shall have been duly given or provisions satisfactory to the Trustee shall have been made for the giving of such notice, (iii) provision shall have been made for the payment of all fees and expenses of the Trustee and of any additional Paying Agents with respect to the Bonds, (iv) the Issuer shall have been reimbursed for all of its expenses under the Financing Documents and (v) all other payments required to be made under the Loan Agreement and the Indenture with respect to the Bonds shall have been made or provided for. At such time as a Bond shall be deemed to be paid under the Indenture, as aforesaid, such Bond shall no longer be secured by or entitled to the benefit of the Indenture, except for the purposes of any such payment from such moneys or Defeasance Obligations.

For the purposes of item (i) in the paragraph above, the Trustee shall be deemed to hold sufficient moneys to pay the principal of an Outstanding Bond not then due or to redeem Outstanding Bonds prior to the maturity thereof only if there shall be on deposit with the Trustee for such purpose Defeasance Obligations maturing or redeemable at the option of the holder thereof not later than (i) the maturity date of such Bonds, or (ii) the first date following the date on which such Bonds are to be redeemed pursuant to the Indenture (whichever may first occur), or both cash and such Defeasance Obligations, in an amount which, together with income to be earned on such Defeasance Obligations (without reinvestment) prior to such maturity date or Redemption Date, equals the principal due on such Bond, together with the premium, if any, due thereon and all interest thereon which has accrued and which will accrue to such maturity date or Redemption Date. In addition to the foregoing, the Issuer shall cause to be delivered to the Trustee, at the expense of the Institution, (i) a certificate or report from an Accountant verifying that the cash or Defeasance Obligations held by the Trustee meet the requirements of the Indenture, (ii) an escrow deposit or other similar agreement ("Escrow Agreement") (in such form as is acceptable to the Insurer), (iii) an Opinion of Counsel to the effect that the Series 2014 Bonds are no longer Outstanding under the Indenture and (iv) a certificate of discharge of the Trustee with respect to the Bonds. The foregoing documents to be in such forms as are

acceptable to the Insurer and shall be provided to the Insurer not less than five (5) Business Days prior to the date of funding the Escrow Agreement.

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

Events of Default

The following shall be "Events of Default" under the Indenture, and the terms "Event of Default" or "Default" shall mean, when they are used in the Indenture, any one or more of the following events:

(a) A default in the due and punctual payment of the interest on any Bond, irrespective of notice; or

(b) A default in the due and punctual payment of the principal or Redemption Price of any Bond, whether at the stated maturity thereof, upon proceedings for redemption thereof (except with respect to a proposed redemption as provided the Indenture for which the notice of redemption shall no longer be of force or effect in accordance with the Indenture), or upon the maturity thereof by declaration or otherwise; or

(c) (i) Subject to clause (ii) below, the failure by the Issuer to observe and perform any covenant, condition or agreement under the Indenture on its part to be observed or performed (except obligations referred to in (a) and (b) above) for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the Issuer and the Institution by the Trustee or by the Holders of not less than fifty-one percent (51%) of the aggregate principal amount of Outstanding Bonds;

(ii) If the covenant, condition, or agreement which the Issuer has failed to observe or perform is of such a nature that it cannot reasonably be fully cured within such thirty (30) days, the Issuer shall not be in default if the Issuer commences a cure within such thirty (30) days and thereafter diligently proceeds with all action required to complete the cure, and, in any event, completes such cure within sixty (60) days of such written notice from the Trustee or the Holders of not less than fifty-one percent (51%) of the aggregate principal amount of the Bonds Outstanding, unless the Trustee or the Holders of not less than fifty-one percent (51%) of the aggregate principal amount of the Outstanding Bonds shall give their written consent to a longer period; or

(d) The occurrence and continuance of an "Event of Default" under the Loan Agreement; or

(e) The occurrence and continuance of an "Event of Default" under the Mortgage; or

(f) The occurrence and continuance of an "Event of Default" under the Pledge and Security Agreement.
(Section 8.01)

Acceleration

Upon the occurrence and continuance of an Event of Default under the Indenture and subject to the Insurer's rights pursuant to and the provisions of Section 5.21 of the Indenture, the Trustee may with the consent of the Insurer, and upon the written request of the Holders of not less than fifty-one percent (51%) of the aggregate principal amount of the Outstanding Bonds shall, by written notice delivered to the Issuer and the Institution declare all Bonds Outstanding immediately due and payable, and such Bonds shall become immediately due and payable, anything in the Bonds or in the Indenture to the contrary notwithstanding. (Section 8.02)

Enforcement of Remedies

In the event the Bonds are declared immediately due and payable and subject to the Insurer's rights pursuant to and the provisions of Section 5.21 of the Indenture, the Trustee may with the consent of the Insurer, and upon the written request of the Holders as set forth in the Indenture shall, proceed forthwith to protect and enforce its rights and the rights of the Holders under the Act, the Bonds, the Loan Agreement, the Pledge and Security Agreement, the Mortgage and the Indenture by such suits, actions or proceedings as the Trustee, being advised by counsel, shall deem necessary or expedient. Upon the occurrence and continuance of any Event of Default, and upon being provided with the security and indemnity if so required

pursuant to the Indenture, the Trustee shall exercise such of the rights and powers vested in the Trustee by the Indenture and use the same degree of care and skill in their exercise as a prudent man would exercise or use in the circumstances in the conduct of his/her own affairs.

The Trustee may sue for, enforce payment of and receive any amounts due or becoming due from the Issuer or the Institution for the payment of the principal, premium, if any, and interest on the Outstanding Bonds under any of the provisions of the Indenture, the Bonds, the Mortgage or the Loan Agreement without prejudice to any other right or remedy of the Trustee or of the Holders.

In accordance with the Indenture, upon the occurrence and continuance of any Event of Default the Trustee may pursue any available remedy at law or in equity by suit, action, mandamus or other proceeding to enforce the payment of the principal of, premium, if any, on and interest on the Bonds then Outstanding and to enforce and compel the performance of the duties and obligations of the Issuer and the Institution under the Financing Documents.

Regardless of the happening of an Event of Default, the Trustee, if requested in writing by the Holders of not less than fifty-one percent (51%) in the aggregate principal amount of the Outstanding Bonds may, and if provided with the security and indemnity required by the Indenture shall, institute and maintain such suits and proceedings as advised by such Holders shall be necessary or expedient to prevent any impairment of the Trust Estate by any acts which may be unlawful or in violation of the Indenture or of any resolution authorizing the Bonds, or to preserve or protect the interests of the Holders; provided that such request is in accordance with law and the provisions of the Indenture and, in the sole judgment of the Trustee, is not unduly prejudicial to the interests of the Holders not making such request.

Notwithstanding anything to the contrary contained in the Indenture, the Mortgage or any of the other Financing Documents, in the event the Trustee is entitled or required to commence an action to foreclose the Mortgage or otherwise exercise its remedies to acquire control or possession of the Mortgaged Premises, the Trustee shall not be required to commence any such action or exercise any such remedy if the Trustee has determined in good faith that the Trustee may incur liability under any applicable environmental law unless the Trustee has received security or indemnity, from a Person, in an amount and in a form all satisfactory to the Trustee in its sole discretion, protecting the Trustee from all such liability. (Section 8.03)

Application of Moneys

The Net Proceeds received by the Trustee pursuant to any right given or action taken under the provisions of and in accordance with the Indenture shall be deposited in the Bond Fund.

All moneys in the Bond Fund following the occurrence of an Event of Default shall be applied to the payment of the reasonable fees and expenses of the Issuer and the Trustee and then as follows:

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

FIRST - To the payment of all installments of the interest then due, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment of interest, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto without any discrimination or preference.

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

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

- (ii) If the principal of all the Bonds shall have become due by declaration or otherwise, to the payment of the principal and interest (at the rate or rates expressed thereon) then due and unpaid upon all of the Bonds, without preference or priority of principal over interest or of interest over principal or of any installment of interest over any other installment of

interest, or of any Bond over any other Bond, ratably according to the amounts due respectively for principal and interest, to the Persons entitled thereto without discrimination or preference.

(iii) If the principal of all the Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of the Indenture then, subject to the provisions of the Indenture, in the event that the principal of all the Bonds shall later become due by declaration or otherwise, the moneys shall be applied in accordance with the provisions of the Indenture. (Section 8.05)

Individual Holder Action Restricted

No Holder of any Bond shall have any right to institute any suit, action, or proceeding in equity or at law for the enforcement of the Indenture or for the execution of any trust under the Indenture or for any remedy under the Indenture unless:

(i) an Event of Default has occurred of which the Trustee has been notified as provided in the Indenture or of which under the Indenture the Trustee is deemed to have notice, and

(ii) the Holders of at least fifty-one percent (51%) in aggregate principal amount of Bonds Outstanding shall have made written request to the Trustee to proceed to exercise the powers granted in the Indenture or to institute such action, suit or proceeding in its own name, and

(iii) such Holders shall have offered the Trustee indemnity as provided in the Indenture, and

(iv) the Trustee shall have failed or refused to exercise the powers granted under the Indenture or to institute such action, suit or proceedings in its own name for a period of sixty (60) days after receipt by it of such request and offer of indemnity.

No one or more Holders of Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the security of the Indenture or to enforce any right under the Indenture except in the manner provided in the Indenture and for the equal benefit of the Holders of all Bonds Outstanding. (Section 8.09)

Supplemental Indentures Not Requiring Consent of Holders

Without the consent of or notice to any of the Holders, the Issuer and the Trustee may enter into one or more Supplemental Indentures, not inconsistent with the terms and provisions of the Indenture, for any one or more of the following purposes:

(a) In connection with the issuance of Additional Bonds, to set forth such matters as are specifically required or permitted under the Indenture;

(b) To cure any ambiguity or formal defect or omission in the Indenture;

(c) To grant to or confer upon the Trustee for the benefit of the Holders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Holders or the Trustee;

(d) To add to the covenants and agreements of the Issuer in the Indenture, other covenants and agreements to be observed by the Issuer;

(e) To more precisely identify the Trust Estate;

(f) To subject to the Lien of the Indenture additional revenue, receipts, Property or collateral;

(g) To evidence the appointment of a successor Trustee;

(h) To preserve the tax-exempt status of the Series 2014A Bonds; or

(k) To effect any other change in the Indenture which, in the judgment of the Trustee based on an opinion of Independent Counsel, is not to the prejudice of the Trustee or the Holders. (Section 10.01)

Supplemental Indentures Requiring Consent of Holders

Except as provided in the Indenture, the Holders of not less than fifty-one percent (51%) in aggregate principal amount of the Outstanding Bonds shall have the right, from time to time, to consent to and approve the execution by the Issuer and the Trustee of such Supplemental Indentures as shall be deemed necessary and desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding any of the terms or provisions contained in the Indenture or in any Supplemental Indenture or in the Bonds; provided, however, that nothing contained in the Indenture shall permit: (i) a change in the terms of redemption or maturity of the principal or the time of payment of interest on any Outstanding Bond or a reduction in the principal amount of or premium, if any, on any Outstanding Bond or the rate of interest thereon, without the consent of the Holder of such Bond, or (ii) the creation of a Lien upon the Trust Estate ranking prior to or on a parity with the Lien created by the Indenture, without the consent of the Holders of all Outstanding Bonds, or (iii) the creation of a preference or priority of any Bond or Bonds over any other Bond or Bonds, without the consent of the Holders of all Outstanding Bonds, or (iv) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Indenture, without the consent of the Holders of all Outstanding Bonds.

If the Holders of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such Supplemental Indenture shall have consented to and approved the execution thereof as provided in the Indenture, no Holder of any Bond shall have any right to object to any of the terms and provisions contained therein or in any manner to question the propriety of the execution thereof or enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof. (Section 10.02)

Amendments to Loan Agreement

Without the consent of or notice to the Holders, the Issuer and the Institution may enter into, and the Trustee may consent to, any amendment, change or modification of the Loan Agreement as may be required (i) by the provisions thereof or of the Indenture, (ii) for the purpose of curing any ambiguity or formal defect or omission therein, (iii) for the purpose of issuing Additional Bonds under the Indenture; (iv) in connection with the description of the Facility, (v) in order to preserve the tax-exempt status of the Series 2014A Bonds, or (vi) in connection with any other change therein, which, in the sole judgment of the Trustee based on an opinion of Independent Counsel, does not adversely affect the interests of the Trustee or the Holders. Except for amendments, changes or modifications as provided in the Indenture, neither the Issuer nor the Trustee shall consent to any amendment, change or modification of the Loan Agreement without notice thereof being given to the Holders in the manner provided in the Indenture and the written approval or consent of the Holders of not less than fifty-one percent (51%) in aggregate principal amount of the Outstanding Bonds procured and given in the manner set forth in the Indenture; provided, however, that no such amendment shall be permitted which changes the terms of payment thereunder without the consent of the Holders of all Outstanding Bonds. (Section 11.01)

Amendments to Tax Compliance Agreement

Without the consent of or notice to the Holders of the Series 2014A Bonds, the Issuer and the Institution may enter into, and the Trustee may consent to, any amendment, change or modification of the Tax Compliance Agreement as may be required (i) by the provisions thereof or of the Indenture, (ii) for the purpose of curing any ambiguity or formal defect or omission therein, (iii) for the purpose of issuing Additional Bonds under the Indenture, (iv) in connection with the description of the Facility, (v) in order to preserve the tax-exempt status of the Series 2014A Bonds, or (vi) in connection with any other change therein, which, in the sole judgment of the Trustee based on an opinion of Independent Counsel, does not adversely affect the interests of the Trustee or the Holders of the Series 2014A Bonds. Except for amendments, changes or modifications as provided in the Indenture, neither the Issuer nor the Trustee shall consent to any amendment, change or modification of the Tax Compliance Agreement without notice thereof being given to the Holders of the Series 2014A Bonds in the manner provided in the Indenture and the written approval or consent of the Holders of the Series 2014A Bonds of not less than fifty-one percent (51%) in aggregate principal amount of the Outstanding Bonds procured and given in the manner set forth in the Indenture; provided, however, that no such amendment shall be permitted which changes the terms of payment thereunder without the consent of the Holders of all Outstanding Series 2014A Bonds. (Section 11.02)

Amendments to Pledge and Security Agreement or Mortgage

Without the consent of or notice to the Holders, the Issuer and the Institution may enter into, and the Trustee may consent to, any amendment, change or modification of the Pledge and Security Agreement or the Mortgage as may be required (i) by the provisions thereof or of the Indenture, (ii) for the purpose of curing any ambiguity or formal defect or

omission therein, (iii) for the purpose of issuing Additional Bonds under the Indenture or to spread the lien of, or otherwise supplement, the Mortgage in connection with the issuance of Additional Bonds, (iv) in connection with the description of the Facility, (v) in order to preserve the tax-exempt status of the Series 2014A Bonds or (vi) in connection with any other change therein, which, in the sole judgment of the Trustee based on an opinion of Independent Counsel, does not adversely affect the interests of the Trustee or the Holders. Except for amendments, changes or modifications as provided in the Indenture, neither the Issuer nor the Trustee shall consent to any amendment, change or modification of the Pledge and Security Agreement or the Mortgage without notice thereof being given to the Holders in the manner provided in the Indenture and the written approval or consent of the Holders of not less than fifty-one percent (51%) in aggregate principal amount of the Outstanding Bonds procured and given in the manner set forth in the Indenture; provided, however, that no such amendment shall be permitted which changes the terms of payment thereunder without the consent of the Holders of all Outstanding Bonds. (Section 11.03)

APPENDIX – E

SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT AND PLEDGE AND ASSIGNMENT

SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT

The following description of certain provisions of the Loan Agreement is only a brief outline of some of the provisions thereof, and does not purport to summarize or describe all of the provisions thereof. Reference is made to the Loan Agreement for details of the provisions thereof.

All terms not otherwise defined below shall have the meaning given to such terms in Appendix C attached to the Official Statement.

Completion by Institution.

The Institution unconditionally covenants and agrees in the Loan Agreement that, to the extent Series 2014 Bond proceeds are insufficient to undertake the Project, it will complete the Project, or cause the Project to be completed. In the event that moneys in the Project Fund are not sufficient to pay the costs necessary to complete the Project, the Institution shall pay that portion of such costs of the Project as may be in excess of the moneys therefor in said Project Fund and shall not be entitled to any reimbursement therefor from the Issuer, the Trustee or the Holders of any of the Bonds (except from the proceeds of Additional Bonds which may be issued for that purpose), nor shall the Institution be entitled to any diminution of the debt service payments payable or other payments to be made under the Loan Agreement. (Section 2.2)

Issuance of Series 2014 Bonds

On the Closing Date, or on such other date as the Issuer, the Trustee, and the Institution may mutually agree upon, the Trustee shall deposit the proceeds of the Series 2014 Bonds in the Project Fund (i) upon receipt of the Series 2014 Bonds and (ii) subject to the terms and conditions of the Indenture. Additional Bonds may be issued and purchased from time to time, as set forth in the Indenture on a pari passu basis with the Series 2014 Bonds. Each series of Additional Bonds shall be issued only for the purpose provided in the Supplemental Indenture executed in connection therewith.

The Issuer agrees to loan the proceeds of the Series 2014 Bonds to the Institution and the Institution agrees to pay to the Trustee the principal of and interest on the Series 2014 Bonds and all other amounts due hereunder in accordance with the terms of the Loan Agreement, the Indenture and the Series 2014 Bonds. (Section 3.1)

Payment Provisions; Pledge of Loan Agreement.

The Institution covenants to make debt service payments for and in respect of the Series 2014 Bonds pursuant to the Loan Agreement, which the Issuer agrees shall be paid by the Institution directly to the Trustee on or prior to each Bond Payment Date for deposit in the Bond Fund in an amount equal to the sum of (i) with respect to interest due and payable on the Series 2014 Bonds, an amount equal to the interest next becoming due and payable on the Series 2014 Bonds on the immediately succeeding Interest Payment Date (less any amount available in the Project Fund for transfer to the Bond Fund), (ii) the principal amount of the Bonds then Outstanding which will become due on the immediately succeeding Interest Payment Date (whether at maturity or by redemption or acceleration as provided in the Indenture), and (iii) the principal of and redemption premium, if any, including sinking fund installments, on the Bonds to be redeemed which will become due on the immediately succeeding redemption date together with accrued interest to the date of redemption.

In addition, on or before the tenth (10th) day following the date that the Institution receives notice from the Trustee or the Issuer, pursuant to the Indenture, that the moneys and investments on deposit in the Debt Service Reserve Fund are less than the Debt Service Reserve Fund Requirement, as a result of a transfer of funds from the Debt Service Reserve Fund to the Bond Fund in accordance with the Indenture (or such longer period of time as the Holders of not less than sixty-six and two-thirds percent (66 2/3%) of the aggregate principal amount of Bonds Outstanding shall agree, by written notice to the Trustee and the Institution), the Institution shall make an immediate payment to the Trustee in an amount equal to the amount necessary to increase the balance in the Debt Service Reserve Fund to the Debt Service Reserve Fund Requirement. On or before the first Business Day of each of the six (6) calendar months following the date on which the Institution receives notice from the Trustee, pursuant to the Indenture that the moneys and investments on deposit in the Debt Service Reserve

Fund are less than the Debt Service Reserve Fund Requirement as a result of a decline in value of such moneys and investments, the Institution shall make a payment to the Trustee equal to one-sixth (1/6th) of such deficiency. (Section 3.2)

Obligation of Institution Unconditional.

The obligations of the Institution to pay debt service payments and all other payments provided for in the Loan Agreement and to maintain the Facility in accordance with the Loan Agreement constitute a general obligation of the Institution and shall be absolute and unconditional, irrespective of any defense or any rights of set-off, recoupment or counterclaim or deduction and without any rights of suspension, deferment, diminution or reduction it might otherwise have against the Issuer, the Trustee or the Holder of any Series 2014 Bond and the obligation of the Institution shall arise whether or not the Project has been completed as provided in the Loan Agreement. (Section 3.3)

Maintenance, Alterations and Improvements.

During the term of the Loan Agreement, the Institution will keep the Facility in good and safe operating order and condition, ordinary wear and tear excepted, will occupy, use and operate the Facility in the manner for which it was designed and intended and contemplated by the Loan Agreement, and will make all replacements, renewals and repairs thereto (whether ordinary or extraordinary, structural or nonstructural, foreseen or unforeseen) reasonably necessary to ensure that the security for the Series 2014 Bonds shall not be materially impaired.

The Institution shall not create, permit or suffer to exist any mortgage, encumbrance, lien, security interest, claim or charge against the Facility or any part thereof, or the interest of the Institution in the Facility, or the Loan Agreement except for Permitted Encumbrances. (Section 4.1)

Taxes, Assessments and Charges.

The Institution shall pay, when the same shall become due, all taxes and assessments, general and specific, if any, levied and assessed upon or against the Facility, any estate or interest of the Institution in the Facility, or the payments under the Loan Agreement during the term of the Loan Agreement and all water and sewer charges, special district charges, assessments and other governmental charges and impositions whatsoever, foreseen or unforeseen, ordinary or extraordinary, under any present or future law, and charges for public or private utilities or other charges incurred in the occupancy, use, operation, maintenance or upkeep of the Facility. (Section 4.3)

Insurance.

At all times throughout the term of the Loan Agreement including, without limitation, during any period of construction or renovation of the Facility, the Institution, in accordance with the Loan Agreement, shall maintain insurance with insurance companies licensed to do business in the State (or authorized in the State under the Federal Liability Risk Retention Act), against such risks, loss, damage and liability (including liability to third parties) and for such amounts as are customarily insured against by other enterprises of like size and type as that of the Institution. (Section 4.4)

Damage, Destruction and Condemnation.

In the event that at any time during the term of the Loan Agreement, the whole or part of the Facility shall be damaged or destroyed, or the whole or any part of the Facility shall be taken or condemned by a competent authority for any public use or purpose, or by agreement between the Issuer and those authorized to exercise such right, or if the temporary use of the Facility or any part thereof shall be so taken by condemnation or agreement (a "Loss Event"): (i) the Issuer shall have no obligation to rebuild, replace, repair or restore the Facility, (ii) there shall be no abatement, postponement or reduction in the debt service payments or other amounts payable by the Institution under the Loan Agreement, and (iii) the Institution will promptly give written notice of such Loss Event to the Issuer and the Trustee, generally describing the nature and extent thereof.

Upon the occurrence of a Loss Event, any Net Proceeds derived therefrom shall be paid to the Institution and the Institution shall either: (i) at its own cost and expense (except to the extent paid from the Net Proceeds deposited in the Renewal Fund as provided in the Loan Agreement and the Indenture), promptly and diligently rebuild, replace, repair or restore the Facility to substantially its condition immediately prior to the Loss Event, or to a condition of at least equivalent value, operating efficiency and function, regardless of whether or not the Net Proceeds derived from the Loss Event shall be sufficient to pay the cost thereof, and the Institution shall not, by reason of payment of any such excess costs, be entitled to

any reimbursement from the Issuer, the Trustee or any Bondholder, nor shall the debt service payments or other amounts payable by the Institution under the Loan Agreement be abated, postponed or reduced, or (ii) if, to the extent and upon the conditions permitted to do so under the Loan Agreement and under the Indenture, exercise its option to make advance debt service payments to redeem the Series 2014 Bonds in whole; provided, however, that, any Net Proceeds derived from a Loss Event affecting the Facility shall be paid to the Trustee and deposited in the Renewal Fund and the Institution shall elect to comply with either clause (i) or clause (ii) above.

In accordance with the Loan Agreement, if all or substantially all of the Facility shall be taken or condemned, or if the taking or condemnation renders the Facility unsuitable for use by the Institution as contemplated by the Loan Agreement, the Institution shall exercise its option to terminate the Loan Agreement pursuant to the Loan Agreement, and the amount of the Net Proceeds so recovered shall be transferred from the Renewal Fund and deposited in the Bond Fund, and the Institution shall thereupon pay to the Trustee for deposit in the Bond Fund an amount which, when added to any amounts then in the Bond Fund and available for that purpose, shall be sufficient to retire and redeem the Series 2014 Bonds in whole at the earliest possible date (including, without limitation, principal and interest to the maturity or redemption date and redemption premium, if any), and to pay the expenses of redemption, the fees and expenses of the Issuer, the Bond Registrar, the Trustee and the Paying Agent, together with all other amounts due under the Indenture and under the Loan Agreement, and such amount shall be applied, together with such other available moneys in such Bond Fund, if applicable, to such redemption or retirement of the Bonds on said redemption or maturity date.

The Institution shall be entitled to any insurance proceeds or condemnation award, compensation or damages attributable to improvements, machinery, equipment or other property installed on or about the Facility but which, at the time of such damage or taking, is not part of the Facility and is owned by the Institution. (Section 5.1)

Restrictions on Institution.

The Institution agrees that at all times during the term of the Loan Agreement it will (i) maintain its existence, (ii) continue to be a not-for-profit corporation and a Tax-Exempt Organization subject to service of process in the State and either organized under the laws of the State, or organized under the laws of any other state of the United States and duly qualified to do business in the State, (iii) not, unless otherwise permitted by the terms of the Loan Agreement, sell, transfer, pledge or otherwise encumber all or substantially all of the assets which constitute the Facility; and (iv) not, unless otherwise permitted by the terms of the Loan Agreement, liquidate, wind-up or dissolve or otherwise dispose of all or substantially all of its property, business or assets remaining after the execution and delivery of the Loan Agreement. (Section 6.1)

Indemnity.

The Institution shall at all times protect and hold the Issuer, the Trustee, the Bond Registrar, the Paying Agent and the Insurer, and any of their respective directors, members, officers, employees, servants or agents (excluding for this purpose the Institution, which is not obligated by the Loan Agreement to indemnify its own employees or affiliate individuals) or any of such Persons and persons under the control or supervision of any of such Persons (collectively, the "Indemnified Parties") harmless of, from and against any and all claims (whether in tort, contract or otherwise), taxes (of any kind and by whomsoever imposed), demands, penalties, fines, liabilities, lawsuits, actions, proceedings, settlements, costs and expenses (collectively, "Claims") of any kind for losses, damage, injury and liability (collectively, "Liability") of every kind and nature and however caused (except, with respect to any Indemnified Party, Liability arising from the gross negligence or willful misconduct of such Indemnified Party), arising during the period commencing from the date the Issuer adopted the inducement resolution for the Project, and continuing throughout the term of the Loan Agreement and for the relevant statute of limitations thereafter for any Claim arising during such term (subject to the Loan Agreement), upon or about the Facility or resulting from, arising out of, or in any way connected with the events described in the Loan Agreement. (Section 6.2)

Notice by the Institution; Financial Information.

The Institution shall promptly notify the Issuer, the Insurer and the Trustee of the occurrence of any Event of Default or any event which with notice and/or lapse of time would constitute an Event of Default under any Financing Document of which it has knowledge. Any notice required to be given pursuant to this subsection shall be signed by an Authorized Representative of the Institution and set forth a description of the default and the steps, if any, being taken to cure said default. If no steps have been taken, the Institution shall state this fact on the notice. The Institution shall provide to the Trustee and the Insurer within one hundred and fifty (150) days after the end of the Institution's Fiscal Year its annual Audited Financial Statements (together with a certification of the Institution that it is not aware of any default or Event of Default under the Indenture or the Loan Agreement) and the Institution's annual budget within thirty (30) days after the

approval thereof together with such information, data or reports as the Insurer shall reasonably request from time to time. (Section 6.6)

Balance Sheet Maintenance Agreement

(a) The Institution shall, pursuant to the Loan Agreement, maintain as of the end of each Fiscal Year a ratio of Unrestricted Net Assets to Operating Expenses of at least 0.30, computed upon the completion and availability of the Institution's audited financial statements produced in accordance with generally accepted accounting principles then applicable to the Institution (the "Audited Financial Statements").

"Unrestricted Net Assets" shall mean total "*Net Assets*" (as shown in the Audited Financial Statements) not otherwise invested in capital assets (net of related debt) or permanently restricted, as displayed or included in the Institution's Audited Financial Statements; and "Operating Expenses" shall mean total unrestricted operating expenses as displayed or included in the Institution's Audited Financial Statements, provided, for purposes of this definition, Operating Expenses shall include depreciation, amortization, provisions for bad debt and interest expense and shall include deposits to the Replacement Fund.

(b) On or prior to each Reporting Date, the Institution shall, pursuant to the Loan Agreement, file with the Insurer and the Trustee a certificate of an Authorized Officer of the Institution stating whether at the immediately preceding Testing Date the ratio of Unrestricted Net Assets to Operating Expenses for the most recent Fiscal Year is satisfied and setting forth the calculation upon which such statement is based.

(c) If the certificate required by (b) above shows that the ratio of Unrestricted Net Assets to Operating Expenses as required by (a) above, as derived from the most recent Audited Financial Statements, is not satisfied, the Institution covenants, under the Loan Agreement, to retain a Consultant within thirty (30) days after the date the Audited Financial Statements become available, to make recommendations to achieve a ratio of Unrestricted Net Assets to Operating Expenses in the following Fiscal Year equal to or greater than the level required by (a) above. Any Consultant so retained shall be required to submit such recommendations to the Insurer and the Trustee within forty-five (45) days after being so retained. The Institution agrees, under the Loan Agreement, that it shall, to the maximum extent permitted by law, follow the recommendations of the Consultant; so long as a Consultant shall be retained and the Institution shall follow such Consultant's recommendations to the extent permitted by law, the balance sheet maintenance covenant under the Loan Agreement shall be deemed to have been complied with even if the ratio of Unrestricted Net Assets to Operating Expenses for any such Fiscal Year was below the required level.

"Consultant" means a firm or firms which is not, and no member, stockholder, director, officer, trustee or employee of which is, an officer, director, trustee or employee of the Institution, or any affiliate thereof, and which is a professional consultant of national repute for having the skill and experience necessary to render the particular report, advice, or documentation required by the provision of the Loan Agreement in which such requirement appears.

(d) In accordance with the Loan Agreement, a failure of the Institution to observe, perform or maintain the ratio of Unrestricted Net Assets to Operating Expenses as required by the Loan Agreement for any two (2) consecutive Fiscal Years shall immediately constitute an Event of Default under the Loan Agreement. (Section 6.20)

Additional Indebtedness

The Institution may issue, incur or assume Long-Term Indebtedness, provided the Institution provides to the Trustee and the Insurer a certificate of an Authorized Representative of the Institution containing pro forma calculations demonstrating a Debt Service Coverage Ratio of 1.20:1.00 or higher for the two (2) consecutive preceding Fiscal Years for which Audited Financial Statements are available taking into account the additional Long-Term Indebtedness proposed to be issued. Pursuant to the Indenture, such calculation shall take into account any Policy Costs due and owing. (Section 6.21)

Debt Service Coverage Ratio.

(a) The Institution covenants to maintain during each Fiscal Year a Debt Service Coverage Ratio of 1.20:1.00, commencing with the Fiscal Year ending June 30, 2015. For purposes of calculating the Debt Service Coverage Ratio for such pro forma calculations, Annual Debt Service shall be equal to projected Maximum Annual Debt Service on the outstanding Series 2014 Bonds and any Additional Bonds. Pursuant to the Indenture, such calculation shall take into account any Policy Costs due and owing.

(b) On or prior to each Reporting Date, the Institution shall file with the Insurer and the Trustee a certificate of an Authorized Officer of the Institution stating whether at the immediately preceding Testing Date the Debt Service Coverage Ratio requirement is satisfied and setting forth the calculation upon which such statement is based.

(c) If the certificate required by (b) above shows that at any time the Debt Service Coverage Ratio as required by (a) above, as derived from the most recent Audited Financial Statements, is not satisfied, the Institution covenants to retain a Consultant within thirty (30) days after the date the Audited Financial Statements become available, to make recommendations to achieve a Debt Service Coverage Ratio in the following Fiscal Year of not less than 1.20:1.00. Any Consultant so retained shall be required to submit such recommendations to the Insurer and the Trustee within forty-five (45) days after being so retained. The Institution agrees that it shall, to the maximum extent permitted by law, follow the recommendations of the Consultant. So long as a Consultant shall be retained and the Institution shall follow such Consultant's recommendations to the extent permitted by law, the debt service coverage ratio covenant under the Loan Agreement shall be deemed to have been complied with even if the Debt Service Coverage Ratio for any such Fiscal Year was below the required level.

(d) In accordance with the Loan Agreement, a failure of the Institution to observe, perform or maintain a Debt Service Coverage Ratio of not less than 1.00:1.00 for any Fiscal Year shall immediately constitute an Event of Default under the Loan Agreement. (Section 6.22)

Funding of the Replacement Fund

So long as the Series 2014A Bonds remain Outstanding, the Institution agrees to pay to the Trustee, for deposit into the Replacement Fund, commencing on July 15, 2014 and on or before the fifteenth (15th) day of each month thereafter, an amount equal to one-twelfth (1/12th) of the Replacement Fund Requirement. (Section 6.23)

Events of Default.

Any one or more of the following events shall constitute an "Event of Default" under the Loan Agreement: (a) failure of the Institution to pay any debt service payment that has become due and payable by the terms of the Loan Agreement which results in a default in the due and punctual payment of the principal of, redemption premium, if any, or interest on any Bond; (b) failure of the Institution to pay any amount (except as set forth in the Loan Agreement) that has become due and payable or to observe and perform any covenant, condition or agreement on its part to be performed under the Loan Agreement and continuance of such failure for a period of thirty (30) days after receipt by the Institution of written notice from the Issuer, the Trustee, the Insurer or the Holders of more than twenty-five percent (25%) in aggregate principal amount of the Bonds Outstanding, specifying the nature of such default; (c) failure of the Institution to observe and perform any covenant, condition or agreement under the Loan Agreement on its part to be performed (except as set forth in the Loan Agreement) and (1) continuance of such failure for a period of thirty (30) days after receipt by the Institution of written notice specifying the nature of such default from the Issuer, the Trustee, or the Holders of more than twenty-five percent (25%) in aggregate principal amount of the Bonds Outstanding, or (2) if by reason of the nature of such default the same can be remedied, but not within the said thirty (30) days, and the Institution fails to proceed with reasonable diligence after receipt of said notice to cure the same or fails to continue, with reasonable diligence, its efforts to cure the same; (d) the Institution shall: (i) apply for or consent to the appointment of or the taking of possession by a receiver, liquidator, custodian or trustee of itself or of all or a substantial part of its property, (ii) admit in writing its inability, or be generally unable, to pay its debts as such debts generally become due, (iii) make a general assignment for the benefit of its creditors, (iv) commence a voluntary case under the federal Bankruptcy Code (as now or in effect after the date of the Loan Agreement), (v) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts, (vi) take any action for the purpose of effecting any of the foregoing, or (vii) be adjudicated a bankrupt or insolvent by any court; (e) a proceeding or case shall be commenced, without the application or consent of the Institution, in any court of competent jurisdiction, seeking, (i) liquidation, reorganization, dissolution, winding-up or composition or adjustment of debts, (ii) the appointment of a trustee, receiver, liquidator, custodian or the like of the Institution or of all or any substantial part of its assets, (iii) similar relief under any law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts, and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing against the Institution shall be entered and continue unstayed and in effect, for a period of ninety (90) days or (iv) the Institution shall fail to controvert in a timely or appropriate manner, or acquiesce in writing to, any petition filed against itself in an involuntary case under such Bankruptcy Code; the terms "dissolution" or "liquidation" of the Institution as used above shall not be construed to prohibit any action otherwise permitted by the Loan Agreement; (f) any representation or warranty made (i) by or on behalf of the

Institution in the application, commitment letter, and related materials submitted to the Issuer or the initial purchaser(s) of the Series 2014 Bonds for approval of the Project or its financing, or (ii) by the Institution in the Loan Agreement or in any of the other Financing Documents or (iii) in the Bond Purchase Agreement, or (iv) in the Tax Compliance Agreement, or (v) in any report, certificate, financial statement or other instrument furnished pursuant to the Loan Agreement or any of the foregoing shall prove to be false, misleading or incorrect in any material respect as of the date made; (g) an "Event of Default" caused by the Institution under the Indenture, the Mortgage or under any other Financing Document shall occur and be continuing or (h) failure of the Institution to observe, perform or maintain any of the covenants as provided in the Loan Agreement. (Section 7.1)

Remedies on Default.

Whenever any Event of Default referred to in the Loan Agreement shall have occurred and be continuing and subject to the Insurer's rights pursuant to and the provisions of Section 5.21 of the Indenture, the Issuer, or the Trustee where so provided, may take any one or more of the following remedial steps:

(a) the Trustee, as and to the extent provided in the Indenture, may cause all principal installments of debt service payments payable under the Loan Agreement for the remainder of the term of the Loan Agreement to be immediately due and payable, whereupon the same, together with the accrued interest thereon, shall become immediately due and payable; *provided, however*, that, upon the occurrence of an Event of Default under the Loan Agreement, all principal installments of debt service payments payable under the Loan Agreement for the remainder of the term of the Loan Agreement, together with the accrued interest thereon, shall immediately become due and payable without any declaration, notice or other action of the Issuer, the Trustee, the Holders of the Bonds or any other Person being a condition to such acceleration;

(b) the Issuer, with the prior written consent of the Trustee and the Insurer, or the Trustee with the consent of the Insurer, may terminate the Loan Agreement. No such termination of the Loan Agreement shall relieve the Institution of its liability and obligations under the Loan Agreement and such liability and obligations shall survive any such termination;

(c) the Issuer or the Trustee may take whatever action at law or in equity as may appear necessary or desirable to collect the debt service payments then due and thereafter to become due, or to enforce performance or observance of any obligations, agreements or covenants of the Institution under the Loan Agreement;

(d) The Trustee may with the consent of the Insurer take possession of the Mortgaged Premises, together with the books, papers and accounts of the Institution pertaining thereto, and lease or sell the Mortgaged Premises or any part thereof in the name and for the account of the Institution, collect, receive and sequester the rents, revenues, earnings, income, products and profits therefrom, and pay out of the same and any moneys received for the payment of, all proper costs and expenses of taking, holding, leasing and selling the Facility, including any taxes and other charges prior to the security interest of the Loan Agreement or of the Mortgage and all expenses of such repairs and improvements; and

(e) The Trustee may with the consent of the Insurer take any action permitted under the Indenture or the Pledge and Security Agreement with respect to an Event of Default thereunder; and

(f) The Issuer, without the consent of the Trustee or any Bondholder, may proceed to enforce its Reserved Rights by bringing an action for damages, injunction or specific performance and the Institution under the Loan Agreement appoints the Issuer its true and lawful agent and attorney-in-fact (which appointment shall be deemed to be an agency coupled with an interest) with full power of substitution to file on its behalf all affidavits, questionnaires and other documentation necessary to accomplish such conveyance.

In the event that the Institution fails to make any debt service or other payment required in the Loan Agreement, the amount so in default shall continue as an obligation of the Institution until the amount in default shall have been fully paid. (Section 7.2)

Remedies Cumulative.

The rights and remedies of the Issuer or the Trustee under the Loan Agreement shall be cumulative and shall not exclude any other rights and remedies of the Issuer or the Trustee allowed by law with respect to any default under the Loan Agreement. (Section 7.4)

Options.

The Institution has the option to make advance debt service payments for the deposit in the Bond Fund to effect the retirement of the Bonds in whole or the redemption in whole or in part of the Bonds, all in accordance with the terms of the Indenture; *provided, however*, that, no partial redemption of the Bonds may be effected through advance debt service payments under the Loan Agreement if there shall exist and be continuing an Event of Default.

The Institution shall have the option to terminate the Loan Agreement on any date during the term of the Loan Agreement by causing the redemption, purchase or defeasance in whole of all Outstanding Bonds in accordance with the terms set forth in the Indenture. (Section 8.1)

Termination of Loan Agreement.

After full payment of the Bonds or provision for the payment in full thereof having been made in accordance with the Indenture and the payment of the fees and expenses of the Issuer, the Paying Agent, the Bond Registrar, the Insurer and the Trustee and all other amounts due and payable under the Loan Agreement or the Indenture, together with any amounts required to be rebated to the federal government pursuant to the Indenture or the Tax Compliance Agreement, the Loan Agreement shall terminate, subject, however, to the survival of the obligations of the Institution under the Loan Agreement. (Section 8.4)

Assignment.

The Institution may not at any time, except as otherwise permitted pursuant to the Loan Agreement, assign or transfer the Loan Agreement, without the prior written consent of the Issuer, the Insurer and the Trustee (which consents shall not be unreasonably withheld); provided, further, that, (1) the Institution shall nevertheless remain liable to the Issuer for the payment of all debt service payments and for the full performance of all of the terms, covenants and conditions of the Loan Agreement and of any other Financing Document to which it shall be a party, (2) any assignee or transferee of the Institution in whole of the Facility shall have assumed in writing and have agreed to keep and perform all of the terms of the Loan Agreement on the part of the Institution to be kept and performed, shall be jointly and severally liable with the Institution for the performance thereof, shall be subject to service of process in the State, and, if a corporation, shall be qualified to do business in the State, (3) in the Opinion of Counsel addressed to the Issuer and Trustee, such assignment or transfer shall not legally impair in any respect the obligations of the Institution for the payment of all debt service payments nor for the full performance of all of the terms, covenants and conditions of the Loan Agreement or of any other Financing Document to which the Institution shall be a party, nor impair or limit in any respect the obligations of any obligor under any other Financing Document, (4) any assignee or transferee shall be a Tax-Exempt Organization or, if not a Tax-Exempt Organization, upon receipt of an opinion of Bond Counsel addressed to the Issuer and the Trustee as to the non-includability in gross income of interest on the Series 2014A Bonds for purposes of federal income taxation, and shall utilize the Facility in compliance with the Act, (5) such assignment or transfer shall not violate any provision of the Loan Agreement, the Indenture or any other Financing Document, (6) such assignment or transfer shall in no way diminish or impair the Institution's obligation to carry the insurance required under the Loan Agreement and the Institution shall furnish written evidence satisfactory to the Issuer and the Trustee that such insurance coverage shall in no manner be limited by reason of such assignment or transfer, (7) each such assignment or transfer contains such other provisions as the Issuer or the Trustee may reasonably require, and (8) in the opinion of Bond Counsel, such assignment or transfer shall not cause the interest on the Series 2014A Bonds to be includable in gross income for federal income taxes. The Institution shall furnish or cause to be furnished to the Issuer and the Trustee a copy of any such assignment or transfer in substantially final form at least thirty (30) days prior to the date of execution thereof. (Section 9.3)

Amendments.

Except as otherwise provided in the Loan Agreement, the Loan Agreement may be amended only with the concurring written consent of the Trustee given in accordance with the provisions of the Indenture. (Section 9.6)

Inspection of Facility.

The Institution will permit the Trustee, or its duly authorized agents, at all reasonable times during normal business hours upon written notice to enter upon the Facility and to examine and inspect the Facility and exercise their rights under the Loan Agreement, under the Indenture and under the other Financing Documents with respect to the Facility. (Section 9.10)

SUMMARY OF CERTAIN PROVISIONS OF THE PLEDGE AND ASSIGNMENT

The following description of the Pledge and Assignment is only a brief outline thereof, and does not purport to summarize or describe all of the provisions thereof. Reference is made to the Pledge and Assignment for details of the provisions thereof.

All terms not otherwise defined below shall have the meaning given to such terms in Appendix C attached to the Official Statement.

Pursuant to the Pledge and Assignment, the Issuer will grant to the Trustee a lien on and security interest in, and pledge, assign, transfer and set over to the Trustee all of the Issuer's right, title and interest in any and all moneys due or to become due to the Issuer and any and all other rights and remedies of the Issuer under or arising out of the Loan Agreement (except for Reserved Rights, as defined therein).

APPENDIX – F

SUMMARY OF CERTAIN PROVISIONS OF THE PLEDGE AND SECURITY AGREEMENT

The following description of certain provisions of the Pledge and Security Agreement is only a brief outline of some of the provisions thereof, and does not purport to summarize or describe all of the provisions thereof. Reference is made to the Pledge and Security Agreement for details of the provisions thereof.

All terms not otherwise defined below or in the Pledge and Security Agreement shall have the meaning given to such terms in Appendix C attached to the Official Statement.

Representations and Warranties of the Institution.

The Institution represents and warrants in the Pledge and Security Agreement that, among other things, the Pledge and Security Agreement is effective to create, in favor of the Trustee, legal, valid and enforceable liens on and security interests in the Pledged Revenues and all necessary and appropriate filings having been duly effected in all appropriate public offices so that the liens and security interests created by the Pledge and Security Agreement will constitute perfected liens on and security interests in the Pledged Revenues on a pari passu basis with any Parity Obligations as provided in the Pledge and Security Agreement. (Section 2.1)

Pledge of the Pledged Revenues; Use Prior to Event of Default

As security for the obligations of the Institution under the Loan Agreement and for the Institution's obligation with respect to the Series 2014 Bonds issued under the Indenture, the Institution, pursuant to the Pledge and Security Agreement, pledges, assigns, hypothecates, transfers and delivers to the Trustee, and grants to the Trustee a security interest in, all right, title and interest, whether now owned or at any time acquired after the date of the Pledge and Security Agreement of the Institution in and to the Pledged Revenues. So long as no Event of Default shall have occurred and be continuing, and except as otherwise provided in the Pledge and Security Agreement, nothing contained in the Pledge and Security Agreement shall be deemed to preclude the Institution from possessing, and consistent with its past practices, using and disposing of the Pledged Revenues in the ordinary course of its corporate purposes. (Section 3.1)

Financing Statements

The Trustee is authorized on behalf of the Institution and itself to complete one or more financing statements, including continuation statements with respect to any Pledged Revenues covered by the Pledge and Security Agreement and to file the same in any appropriate office or place to the extent permitted by law. The Institution agrees to deposit all of its Pledged Revenues, as and when received, into one or more deposit accounts and/or securities accounts with one or more banks or other financial institutions selected by the Institution (each, an "Account"). The Institution shall apply the monies comprising Pledged Revenues in the Accounts to the making of Debt Service Payments on the Series 2014 Bonds as they become due and payable, and may withdraw monies from the Accounts for any lawful purpose. The Institution shall provide to the Trustee a statement identifying the name and number of any fund or account established by the Institution with any banking, trust or other financial institution pursuant to the Pledge and Security Agreement. (Section 3.4)

No Set-Off by the Institution

No set-off, counterclaim, reduction or diminution of an obligation, or any defense of any kind or nature (other than full performance by the Institution of the obligations under the Pledge and Security Agreement) which the Institution has or may have against the Trustee or any other Person, shall be available under the Pledge and Security Agreement to the Institution with respect to a claim under the Pledge and Security Agreement. The Institution acknowledges that no oral or other agreements, understandings, representations or warranties exist with respect to the Pledge and Security Agreement or with respect to the obligations of the Institution under the Pledge and Security Agreement, except as specifically set forth in the Pledge and Security Agreement. (Section 3.6)

Parity Obligations

The Institution may issue, incur or assume Long-Term Indebtedness secured by a Lien on Pledged Revenues, which in the event of any default and acceleration or claim on the Pledged Revenues is pari passu with the Lien on the Pledged

Revenues granted by the Pledge and Security Agreement, provided the Institution provides to the Trustee and the Insurer a certificate of an Authorized Representative of the Institution containing pro forma calculations demonstrating a Debt Service Coverage Ratio of 1.20:1.00 or higher for the two (2) consecutive preceding Fiscal Years for which audited financial statements are available taking into account the additional Long-Term Indebtedness proposed to be issued.

For purposes of calculating the Debt Service Coverage Ratio for such pro forma calculations, Annual Debt Service shall be equal to projected Maximum Annual Debt Service. Indebtedness which does not bear interest at a fixed rate will be deemed to bear interest at an annual rate equal to 120% of the weighted average annual interest rate borne by such Indebtedness over the 24-month period ending on the date of calculation (or with respect to such Long-Term Indebtedness issued during such 24-month period, 120% of the average of the most recent 24-month Bond Buyer 25 Revenue Bond Index). The principal of Balloon Indebtedness will be deemed to mature pursuant to the Annual Debt Service definition in the Pledge and Security Agreement. In the event the project to be financed with such additional Long-Term Indebtedness is expected to generate additional revenues, such revenues, net of anticipated expenses, may be included in the pro forma calculations of the Debt Service Coverage Ratio provided that such estimations of additional net revenues are deemed reasonable in the opinion of an Authorized Representative of the Institution. For purposes of calculating the Debt Service Coverage Ratio for such pro forma calculations, such calculations shall take into account any Policy Costs due and owing pursuant to the Indenture. (Section 3.8)

Events of Default Defined

An "Event of Default" shall exist if any of the following occurs:

COVENANTS FOR THE PAYMENT OF MONEY - the Institution fails to perform or observe any covenant for the payment of money contained in the Pledge and Security Agreement within ten (10) days of demand, after written notice with respect thereto is given by the Trustee to the Institution;

WARRANTIES OR REPRESENTATIONS - any warranty, representation or other statement by or on behalf of the Institution contained in the Pledge and Security Agreement is false or misleading in any material respect when made;

INVOLUNTARY BANKRUPTCY PROCEEDINGS - a receiver, liquidator or trustee of the Institution or of any of its Property is appointed by court order, and such order remains in effect for more than sixty (60) days; or the Institution is adjudicated bankrupt or insolvent; or any of the Property of the Institution is sequestered by court order and such order remains in effect for more than sixty (60) days; or a petition is filed against the Institution under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or after the Pledge and Security Agreement is in effect, and is not dismissed within sixty (60) days after such filing;

VOLUNTARY PETITIONS - the Institution files a petition in voluntary bankruptcy or seeks relief under any provision of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or after the Pledge and Security Agreement is in effect, or consents to the filing of any petition against it under such law;

ASSIGNMENTS FOR BENEFIT OF CREDITORS - the Institution shall generally not pay its debts as such debts become due or admits in writing its inability to pay its debts generally as they become due, or consents to the appointment of a receiver, trustee or liquidator of all or any part of its Property; or

DEFAULTS UNDER FINANCING DOCUMENTS - the occurrence and continuation of an "Event of Default" under any of the other Financing Documents. (Section 4.1)

Remedies on Default

If an Event of Default shall occur and be continuing and subject to the Insurer's rights pursuant to and the provisions of Section 5.21 of the Indenture, the Trustee, on behalf of the Bondholders, may with the consent of the Insurer exercise, in addition to all other rights and remedies granted to them in the Pledge and Security Agreement and in any other instrument or agreement securing, evidencing or relating to the Series 2014 Bonds, all rights and remedies of a secured party under the Commercial Code. Without limiting the generality of the foregoing, the Trustee without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to in the Pledge and Security Agreement) to or upon the Institution or any other Person (all and each of which demands, defenses, advertisements and notices are waived under the Pledge and Security Agreement), may with the consent of the Insurer in

such circumstances forthwith, collect, receive, appropriate and realize upon the Pledged Revenues, or any part thereof. The Trustee shall apply the net proceeds of any such collection, recovery, receipt, appropriation, realization or sale, after deducting all reasonable costs and expenses of every kind incurred therein or incidental to the care or safekeeping of any of the Pledged Revenues or in any way relating to the Pledged Revenues or the rights of the Trustee under the Pledge and Security Agreement, respectively, including, without limitation, reasonable attorneys' fees and disbursements, to the payment in whole or in part of amounts owed under the Series 2014 Bonds, in such order as the Trustee may elect, and only after such application and after the payment by the Trustee of any other amount required by any provision of law, including, without limitation, Section 9-615 the Commercial Code, need the Trustee account for the surplus, if any, to the Institution. To the maximum extent permitted by applicable law, the Institution waives all claims, damages and demands it may acquire against the Trustee arising out of the exercise of any rights under the Pledge and Security Agreement. If any notice of a proposed sale or other disposition of Pledged Revenues shall be required by law, such notice shall be deemed reasonable and proper if given at least 10 days before such sale or other disposition. The Institution shall remain liable for any deficiency if the proceeds of any sale of the Pledged Revenues are insufficient to pay amounts owed with respect to the Series 2014 Bonds and the reasonable fees and disbursements of any attorneys employed by the Trustee to collect such deficiency.

If an Event of Default shall have occurred and be continuing, the Trustee with the consent of the Insurer shall have the right (1) to notify or to require the Institution to notify Persons obligated on any instruments, accounts, or contracts which are part of the Pledged Revenues to make payment thereof directly to the Trustee, or as the Trustee shall direct, (2) to collect and enforce any such accounts and contracts, and (3) to compromise, settle or otherwise agree to waive, amend or modify the obligation of any account debtors or obligors under such accounts and contracts. Subject to the provisions of the Financing Documents, until such time as the Trustee elects to exercise such rights, the Institution, as the agent of the Trustee, shall collect and enforce all such contracts and accounts. The cost of such collection and enforcement, including attorneys' fees and expenses, shall be borne by the Institution, whether the same is incurred by the Trustee or the Institution.

If an Event of Default exists and continues, the Trustee may with the consent of the Insurer proceed to enforce the provisions of the Pledge and Security Agreement and to exercise any other rights, powers and remedies available to it. The Trustee, in its sole discretion, with the consent of the Insurer shall have the right to proceed first and directly against the Institution under the Pledge and Security Agreement without proceeding against or exhausting any other remedies which it may have and without resorting to any other security held by the Issuer or the Trustee.

Each and every Event of Default under the Pledge and Security Agreement shall give rise to a separate cause of action under the Pledge and Security Agreement, and separate suits may be brought under the Pledge and Security Agreement by the Trustee as each cause of action arises.

The Trustee may with the consent of the Insurer pursue its rights and remedies under the Pledge and Security Agreement notwithstanding (1) any guaranty of or other security for the Series 2014 Bonds, and (2) any action taken or omitted to be taken by the Trustee or any other Person to enforce any of the rights or remedies under such guaranty or with respect to any other security.

The foregoing rights and powers of the Trustee shall be in addition to, and not a limitation upon, any rights and powers of the Trustee given by law, by any other provisions of the Pledge and Security Agreement, by the other Financing Documents or otherwise. (Section 4.2)

Proceeds

If an Event of Default shall occur and be continuing, (A) all Pledged Revenues received by the Institution consisting of cash, checks and other near-cash items shall be paid to the Trustee for application in accordance with the terms of the Financing Documents and otherwise shall be held by the Institution in trust for the Trustee, segregated from other funds of the Institution, and shall, forthwith upon receipt by the Institution, be turned over to the Trustee in the exact form received by the Institution (duly indorsed by the Institution to the Trustee, if required), and (B) any and all such Pledged Revenues received by the Trustee (whether from the Institution or otherwise) may, in the sole discretion of the Trustee and with the consent of the Insurer, as applicable, be held by the Trustee for application against amounts owed to it, and/or then, or at any time thereafter, may with the consent of the Insurer be applied by the Trustee against the Series 2014 Bonds (whether matured or unmatured), such application to be in such order as the Trustee shall elect with the consent of the Insurer. Any balance of such Pledged Revenues remaining after all amounts owed to the Trustee and on the Series 2014 Bonds shall have been paid in full and the Financing Documents shall have been terminated shall be paid over to the Institution or to whomsoever may be lawfully entitled to receive the same. (Section 4.3)

Appointment of Security Agent; Establishment of Revenue Fund

As security for the prompt and complete payment of all amounts payable to the Trustee and payment when due (whether at the stated maturity, by acceleration or otherwise) of the Series 2014 Bonds, the Institution, pursuant to the Pledge and Security Agreement, agrees as follows:

The Trustee, pursuant to the Pledge and Security Agreement, is appointed by the Institution as security agent, and Trustee agrees to act as such and to accept all cash, other amounts, instruments, securities and investments to be delivered to or held by the Trustee pursuant to the terms of the Pledge and Security Agreement.

The following special, segregated and irrevocable cash collateral account is, pursuant to the Pledge and Security Agreement, established by the Trustee, which shall be maintained at all times until the termination of the Pledge and Security Agreement: the Revenue Fund. No amounts will be deposited into the Revenue Fund until upon the occurrence and continuation of an Event of Default. All moneys, investments and securities at any time on deposit in the Revenue Fund shall constitute trust funds to be held in the custody of the Trustee for the purposes and on the terms set forth in the Pledge and Security Agreement.

In order to secure the performance by the Institution of all of its covenants, agreements and obligations under the Financing Documents and the payment by the Institution of all amounts due on the Series 2014 Bonds, and in furtherance (and not in limitation) of the provisions of the Pledge and Security Agreement, the Institution, pursuant to the Pledge and Security Agreement, pledges and assigns to the Trustee, for the benefit of the Bondholders, and creates in favor of the Trustee, for the benefit of the Bondholders, a security interest in and to, the Revenue Fund, all cash, cash equivalents, instruments, investments and other securities at any time on deposit in the Revenue Fund and all proceeds of any of the foregoing. All moneys, cash equivalents, instruments, investments and securities at any time on deposit in the Revenue Fund shall constitute collateral security for the payment by the Institution of all amounts due under the Series 2014 Bonds and the performance and observance by the Institution of all the covenants and conditions contained in the Financing Documents, and shall at all times be subject to the control of the Trustee and shall be held in the custody of the Trustee for the purposes of, and on the terms set forth in, the Pledge and Security Agreement. The Institution shall not have any right or power to distribute or to direct the Trustee to distribute any amounts in the Revenue Fund or any part thereof except in accordance with the provisions of the Pledge and Security Agreement.

Upon the occurrence and continuation of an Event of Default, the Institution shall deposit or cause all Pledged Revenues to be deposited in the Revenue Fund immediately upon receipt thereof. The money from time to time in the Revenue Fund shall be applied by the Trustee, for the purpose of making the deposits required to be made to the following Funds or accounts created under the Indenture in the following order of priority: (1) the Bond Fund; (2) such account as the Institution shall have established for the payment of principal or interest on Subordinated Indebtedness, if any; and (3) if, on the last Business Day of any June or December, or in the event that (a) the balance on deposit in the Bond Fund shall equal the Bond Fund Requirement for the next Bond Payment Date, and (b) the Trustee shall have received from the Institution sufficient moneys to permit the Trustee to make all other deposits to other funds or accounts established under the Indenture required by the Indenture to be made into such funds and accounts as of such Business Day, then the Trustee shall notify the Institution, and the Institution may withdraw free and clear of the Lien of the Pledge and Security Agreement all amounts then on deposit in the Revenue Fund that are in excess of the total of (x) the amount to be transferred from the Revenue Fund to the Bond Fund, and (y) any amounts required by the Indenture to be transferred to other funds or accounts established under the Indenture from the Revenue Fund during the current or the next ensuing calendar month.

Any deposit made into the Revenue Fund under the Pledge and Security Agreement shall be irrevocable and the amount of such deposit and any instrument or security held in the Revenue Fund under the Pledge and Security Agreement and all interest thereon shall be held in trust by the Trustee and applied solely as provided in the Pledge and Security Agreement.

Prior to an Event of Default, any cash held by the Trustee in the Revenue Fund shall be invested by the Trustee from time to time in Defeasance Obligations (as defined in the Indenture) as the Institution shall determine and specifically direct in writing. Any income or gain realized as a result of any such investment shall be held as part of the Revenue Fund and reinvested or released as provided in the Pledge and Security Agreement. Any income tax payable on account of any such income or gain shall be payable by the Institution as an expense of the Project. The Trustee shall have no liability for any loss, fee, tax or other charge resulting from any such investment, reinvestment or sale thereof other than by reason of their willful misconduct or gross negligence. Any such investment may be sold (without regard to maturity date) by the Trustee whenever necessary to make any withdrawal or distribution required by the Pledge and Security Agreement. The Trustee

will promptly notify the Institution of any loss resulting from any such investment and the Institution shall thereupon reimburse the Revenue Fund. (Section 4.4)

Remedies Not Exclusive; Waiver and Notice

No remedy conferred upon or reserved to the Trustee under the Pledge and Security Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Pledge and Security Agreement now or existing after the date of the Pledge and Security Agreement at law or in equity or by statute.

No delay or omission to exercise any right or power accruing upon the occurrence of any Event of Default under the Pledge and Security Agreement shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient.

In order to entitle the Trustee to exercise any remedy reserved to it in the Pledge and Security Agreement, it shall not be necessary to give any notice, other than such notice as may be expressly required in the Pledge and Security Agreement and other than with respect to the Insurer.

In the event any provision contained in the Pledge and Security Agreement shall be breached by any party and thereafter duly waived by the other party so empowered to act, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach under the Pledge and Security Agreement.

No waiver, amendment, change, alteration, release, discharge, modification or termination of the Pledge and Security Agreement shall be established by conduct, custom or course of dealing. (Section 4.5)

Amendments

No waiver, amendment, change, modification, release, discharge, alteration or termination of this Pledge and Security Agreement shall be made except upon the written consent of the Institution and the Trustee. (Section 5.6)

Discharge of Institution's Obligations and Termination of The Pledge and Security Agreement

When all amounts owed under the Series 2014 Bonds have been paid in full and the Series 2014 Bonds are no longer Outstanding, then, and only then, the Pledge and Security Agreement and the security interests created by the Pledge and Security Agreement shall be null and void and shall be released in due form, at the Institution's expense; otherwise, it shall remain in full force and effect. No release of the Pledge and Security Agreement, or of the Lien, security interest or assignment created and evidenced by the Pledge and Security Agreement, shall be valid unless executed by the Trustee. The Trustee, upon the Institution's request and at the Institution's expense, shall deliver to the Institution all documents evidencing such release. On the date of such discharge, the Institution shall be released from any and all conditions, terms, covenants or restrictions created or placed upon it by the Pledge and Security Agreement and the Institution shall not have any further obligation or liability under the Pledge and Security Agreement. (Section 5.11)

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX – G

SUMMARY OF CERTAIN PROVISIONS OF THE MORTGAGE

The following description of the Mortgage is only a brief outline thereof, and does not purport to summarize or describe all of the provisions thereof. Reference is made to the Mortgage for details of the provisions thereof.

All terms not otherwise defined below shall have the meaning given to such terms in Appendix C attached to the Official Statement.

Pursuant to the Mortgage, the Institution will grant to the Issuer a mortgage lien on and security interest in certain properties of the Institution as further set forth in the Mortgage. Under the Assignment of Mortgage, the Issuer has assigned all of its rights, title and obligations under the Mortgage to the Trustee, with acknowledgment thereof by the Institution.

Under the Mortgage, the Insurer shall be deemed to be the sole holder of the Series 2014 Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the Holders are entitled to take pursuant to the Mortgage.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX – H

FORM OF APPROVING OPINION OF BOND COUNSEL

Upon the delivery of the Series 2014 Bonds, Harris Beach PLLC, Bond Counsel to the Issuer, proposes to deliver its legal opinion in substantially the following form:

[Date of Closing]

Monroe County Industrial Development Corporation
8100 CityPlace
50 West Main Street
Rochester, New York 14614

Re: \$34,335,000 Monroe County Industrial Development Corporation Revenue Bonds (Monroe Community College Association, Inc. Project), Series 2014 consisting of: \$31,615,000 Monroe County Industrial Development Corporation Tax-Exempt Refunding Revenue Bonds (Monroe Community College Association, Inc. Project), Series 2014A and \$2,720,000 Taxable Revenue Bonds (Monroe Community College Association, Inc. Project), Series 2014B

Ladies and Gentlemen:

We have examined the record of proceedings in connection with the issuance by the Monroe County Industrial Development Corporation (the "Issuer") of its \$34,335,000 Monroe County Industrial Development Corporation Revenue Bonds (Monroe Community College Association, Inc. Project), Series 2014 consisting of: (i) \$31,615,000 Tax-Exempt Revenue Refunding Bonds (Monroe Community College Association, Inc. Project), Series 2014A (the "Series 2014A Bonds") for the benefit of Monroe Community College Association, Inc., a not-for-profit corporation organized under the Laws of the State of New York (the "Institution"), for the purpose of financing or refinancing the Series 2014A Project (as defined below) and (ii) \$2,720,000 Taxable Revenue Bonds (Monroe Community College Association, Inc. Project), Series 2014B (the "Series 2014B Bonds", and collectively with the Series 2014A Bonds, the "Bonds" or "Series 2014 Bonds") for the benefit of the Institution for the purpose of financing or refinancing the Series 2014B Project (as defined below, and collectively with the Series 2014A Project, the "Project"). The Bonds are authorized to be issued pursuant to (a) Section 1411 of the Not-for-Profit Corporation Law of the State of New York, (b) Resolution No. 288 of 2009 of the Monroe County Legislature (the "County Resolution"), (c) a bond resolution (the "Bond Resolution") adopted by the members of the Issuer on March 11, 2014, for the purpose of providing funds to assist in the financing of the Project for the benefit of the Institution, and (d) a certain Indenture of Trust, dated as of April 1, 2014 (the "Indenture"), by and between the Issuer and The Bank of New York Mellon, as trustee (the "Trustee").

The project being financed with the Series 2014A Bonds (collectively, the "Series 2014A Project") consists of: (A) the refunding of the outstanding principal amount of the \$15,910,000 original principal amount Variable Rate Demand Revenue Bonds (Monroe Community College Association, Inc. Project), Series 2002A (the "Series 2002 Bonds") issued by the County of Monroe Industrial Development Agency ("COMIDA") for the benefit of the Institution, the proceeds of which were applied to: (i) fund the acquisition, construction and equipping of three (3) student apartment buildings consisting of a total of 410 beds in 105 units together with related site improvements on an approximately 6.4 acre parcel of land owned by the Institution and located on the main campus of Monroe Community College, located at 1000 East Henrietta Road in the Town of Brighton, New York (the "Campus") (collectively, the "Series 2002 Facility") and (ii) pay for certain costs of issuance in connection with the issuance of the Series 2002 Bonds; (B) the refunding of the outstanding principal amount of the \$18,295,000 original principal amount Variable Rate Demand Civic Facility Revenue Bonds (Monroe Community College Association, Inc. Project), Series 2006A (the "Series 2006 Bonds", and collectively with the Series 2002 Bonds, the "Prior Bonds") issued by COMIDA for the benefit of the Institution, the proceeds of which were applied to: (i) fund the acquisition, construction and equipping of three (3) student apartment buildings consisting of a total of 366 beds in 74 units together with related site improvements on an approximately 7.6 acre parcel of land owned by the Institution and located on the Campus (collectively, the "Series 2006 Facility", and collectively with the Series 2002 Facility, the "Facility") and (ii) pay for certain costs of issuance in connection with the issuance of the Series 2006 Bonds; (C) the funding of the Series 2014A Debt Service Reserve Fund Account (as defined herein) as security for the Series 2014A Bonds and (D) the payment of certain costs and

expenses incidental to the issuance of the Series 2014A Bonds (items (A) through (D) hereinafter referred to as the "Series 2014A Project Costs").

The project being financed with the Series 2014B Bonds (collectively, the "Series 2014B Project") consists of: (A) the payment of the termination fee pursuant to that certain 2002 Master Agreement, dated September 21, 2006, by and between the Institution and JPMorgan Chase Bank, National Association; (B) the funding of the Series 2014B Debt Service Reserve Fund Account (as defined herein) as security for the Series 2014B Bonds and (C) the payment of certain costs and expenses incidental to the issuance of the Series 2014B Bonds (items (A) through (C) hereinafter referred to as the "Series 2014B Project Costs", and collectively with the Series 2014A Project Costs, the "Project Costs").

All capitalized terms, not otherwise defined herein, shall have the meaning given such terms in the Indenture.

The Bonds are being purchased by Janney Montgomery Scott LLC (the "Underwriter") pursuant to a certain Bond Purchase Agreement, dated April 2, 2014, by and among the Issuer, the Institution and the Underwriter (the "Bond Purchase Agreement").

Under the terms of a certain Loan Agreement, dated as of April 1, 2014 (the "Loan Agreement"), between the Issuer and the Institution, the Issuer has loaned the proceeds of the Bonds to the Institution to finance the Project Costs with the loan payments thereunder to be in an amount sufficient to pay the principal of, premium, if any, and interest on the Bonds as the same become due and payable and to make certain other payments with respect to the Bonds as described therein.

As security for the Series 2014 Bonds: (i) the Issuer assigned to the Trustee all of its rights (except Reserved Rights, as defined in the Indenture) under the Loan Agreement, pursuant to the terms of a certain Pledge and Assignment, dated as of April 1, 2014, from the Issuer to the Trustee (the "Pledge and Assignment"); (ii) the Institution granted to the Issuer a mortgage lien on and security interest in certain properties of the Institution pursuant to a certain Mortgage and Security Agreement, dated as of April 1, 2014, from the Institution to the Issuer (the "Mortgage"); which mortgage lien and security interest has been assigned by the Issuer to the Trustee pursuant to a certain Assignment of Mortgage and Security Agreement, dated as of April 1, 2014, from the Issuer to the Trustee (the "Assignment of Mortgage") and (iii) the Institution has granted to the Trustee a security interest in and lien on the Pledged Revenues (as defined in the hereinafter defined Pledge and Security Agreement) pursuant to a certain Pledge and Security Agreement, dated as of April 1, 2014, by and between the Institution and the Trustee (the "Pledge and Security Agreement").

The Series 2014A Bonds will be guaranteed as to the scheduled payment of principal and interest when due, to the extent that sufficient funds for such payment have not been provided, pursuant to a municipal bond insurance policy (the "Series 2014A Insurance Policy") issued by Assured Guaranty Municipal Corp. (the "Insurer"). The Series 2014B Bonds will be guaranteed as to the scheduled payment of principal and interest when due, to the extent that sufficient funds for such payment have not been provided, pursuant to a municipal bond insurance policy (the "Series 2014B Insurance Policy") issued by the Insurer.

With respect to the Series 2014 Bonds, the Issuer and the Institution have executed and delivered a certain Tax Compliance Agreement, dated the date of issuance of the Series 2014A Bonds (the "Tax Compliance Agreement"), in which the Issuer and the Institution have made certain representations and covenants, established certain conditions and limitations and created certain expectations, relating to compliance with the requirements imposed by the Internal Revenue Code of 1986, as amended, and regulations of the United States Treasury Department promulgated thereunder (collectively, the "Code").

The Bonds are dated as of their date of issuance and bear interest from that date on the unpaid principal amount at the rates set forth in, and pursuant to the terms of, the Indenture and the Bonds. The Bonds are subject to prepayment or redemption prior to maturity, in whole or in part, at such time or times, or under such circumstances and in such manner as are set forth in the Bonds and the Indenture, respectively.

As Bond Counsel, we have examined originals or copies, certified or otherwise identified to our satisfaction, of such instruments, certificates and documents as we have deemed necessary or appropriate for the purposes of rendering the opinions set forth herein. In such examination, we have assumed the genuineness of all signatures, the authenticity and due execution of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion, we have relied upon, and assumed the accuracy and truthfulness of, the aforesaid instruments, certificates and documents, without having conducted any independent investigation.

In rendering the opinions set forth below, we have relied upon the opinion of Harter Secrest & Emery LLP, counsel to the Institution, of even date herewith, as to the matters set forth in such opinion without making any independent investigation of the factual basis therefor or the legal conclusions set forth therein.

Based upon and in reliance upon the foregoing, it is our opinion that:

(a) The Issuer is a local development corporation created pursuant to the Not-For-Profit Corporation Law of the State of New York and is duly organized and validly existing under the laws of the State of New York.

(b) The Issuer is duly authorized and entitled by law and the County Resolution to issue, execute, sell and deliver the Bonds for the purpose of financing the Project and to execute and deliver the Financing Documents to which the Issuer is a party.

(c) The Bond Resolution has been duly and lawfully adopted by the Issuer, is in full force and effect, and is valid and legally binding upon the Issuer in accordance with its terms.

(d) The Bonds have been duly authorized, executed and delivered, have been duly issued for value by the Issuer and are valid and legally binding special obligations of the Issuer payable in accordance with their terms and are entitled to the benefit and security of the Indenture in accordance with its terms.

(e) The Bonds do not constitute a debt of the State of New York or Monroe County, New York, and neither the State of New York nor Monroe County, New York will be liable thereon.

(f) Under statutes, regulations, administrative rulings and court decisions existing as of the date hereof, interest on the Series 2014A Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code and is not an "item of tax preference" for purposes of computing the federal alternative minimum tax imposed on individuals and corporations. Interest on the Series 2014A Bonds is, however, included in the computation of "adjusted current earnings," a portion of which is taken into account in determining the federal alternative minimum tax imposed on certain corporations.

The difference between the principal amount of the Series 2014A Bonds maturing on January 15 in the years 2027 and 2033 (collectively, the "Discount Bonds"), and the initial offering price to the public (excluding bond houses, brokers and other intermediaries, or similar persons acting in the same capacity of underwriters or wholesalers), at which price a substantial amount of such Discount Bonds of the same maturity is first sold, constitutes original issue discount, which is not included in gross income for federal income tax purposes to the same extent as interest on the Discount Bonds.

(g) Under existing law, interest on the Series 2014A Bonds is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof.

In rendering the opinions set forth in paragraph (f) and (g) above, we have relied upon, among other things, certain representations and covenants of (i) the Issuer in the Indenture, the Loan Agreement, the Tax Compliance Agreement and the General Certificate of the Issuer, dated the date hereof and (ii) the Institution in the Loan Agreement, the Tax Compliance Agreement and the General Certificate of the Institution, dated the date hereof. We call your attention to the fact that there are certain requirements contained in the Code with which the Issuer and the Institution must comply from and after the date of issuance of the Series 2014A Bonds in order for the interest thereon to be and remain excluded from gross income for federal income tax purposes, and consequently to remain exempt from personal income taxes imposed by the State of New York or any political subdivision thereof. The Issuer, the Institution or any other Person, by failing to comply with such requirements, may cause interest on the Series 2014A Bonds to become includable in gross income for federal income tax purposes and therefore subject to personal income taxes imposed by the State of New York and any political subdivision thereof, in each case, retroactive to the date of issuance of the Series 2014A Bonds. We render no opinion as to any federal, state or local tax consequences with respect to the Series 2014A Bonds, or the interest thereon, if any change occurs or action is taken or omitted under the Indenture, the Loan Agreement or the Tax Compliance Agreement by the Issuer or the Institution, or under any other relevant documents without the advice or approval of, or upon the advice or approval of any Bond Counsel other than, Harris Beach PLLC.

Except for the opinions as set forth in paragraphs (f) and (g) above, we express no opinion regarding any other federal, state or local income tax consequences arising with respect to the purchase or ownership of the Bonds.

The foregoing opinions are qualified to the extent that the enforceability of the Bond Resolution, the Bonds, any of the Financing Documents and any other document executed in connection therewith may be limited by any applicable bankruptcy, insolvency or other similar law or equitable principle now or hereafter enacted by the State of New York or the federal government or pronounced by a court having proper jurisdiction, affecting the enforcement of creditors' rights generally.

We express no opinion as to (i) the title to the Facility; (ii) the sufficiency of the description of the Facility in the Indenture, the Loan Agreement or any other document; or (iii) the perfection or priority of any liens, charges or encumbrances on the Facility. Further, we have not been requested to examine and have not examined any documents or information relating to the Issuer or the Institution other than the record of proceedings hereinabove referred to, and no opinion is expressed as to any financial information, or the adequacy thereof, which has been or may be supplied to the Trustee, the Underwriter or any other person.

This opinion is given as of the date hereof, and we disclaim any obligation to update this opinion letter for events occurring after the date of this opinion letter. We express no opinion herein except as to the laws of the State of New York and the federal laws of the United States.

Very truly yours,

APPENDIX – I

FORM OF SPECIMEN MUNICIPAL BOND INSURANCE POLICY

[THIS PAGE INTENTIONALLY LEFT BLANK]



MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No: -N

BONDS: \$ in aggregate principal amount of

Effective Date:

Premium: \$

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By _____
Authorized Officer



Printed by: ImageMaster, LLC
www.imagemaster.com